

Purchasing Week

MCGRAW-HILL'S NATIONAL NEWSPAPER OF PURCHASING

Vol. 2 No. 45

New York, N. Y., November 9, 1959

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\$6 A YEAR U.S. AND CANADA \$25 A YEAR FOREIGN

1960 Looks Good Like a Boom Year Should



ON THE BLOCK—Machine tools like these are going under the auctioneer's gavel all over the nation. This week, Purchasing Week begins a new service—the listing of complete auction data on used equipment—prices, description, dates. Full details appear on p. 25.

50,000 Pour into Chicago Metal Show

Chicago—Evolution, not innovation keyed the National Metal Show here last week. Fifty-thousand engineers, executives and purchasing men flocked to Chicago's International Amphitheatre to size up the latest trends in metal working equipment and materials.

It was hard to find a dissatis-

fied exhibitor or visitor. "One of the finest metal shows I can remember" a machine tool representative told PURCHASING WEEK. And almost everybody P.W. talked to agreed with him.

The show stressed the evolution going on in the metal trades. Names such as explosive form-

(Turn to page 26, column 3)

P/W PANORAMA

• **Don't answer "yes"** to the following questions: Do you make snap judgments? Do your subordinates often quit? Do you have a lot of assistants? Does your paperwork stack up? Affirmative replies show poor managerial talent, a "self-analysis" technique indicates. (More on p. 12.)

• **Containers within containers**—That's what Matson Navigation has in mind for its Hawaii-West Coast run. The idea is to get six "knockdown" units to fit inside a conventional 24-ft. job, thus giving greater flexibility while retaining economy. (More on p. 6.)

• **A one-man Sherlock Holmes** to cut down on plant guards has been devised by Minneapolis-Honeywell to cope with fire, intrusion, noise, etc. Automated eyes and ears do the job. (More on p. 21.)

• **Watch your language** in writing or speaking about vendors. If you cast unfavorable reflections on their business practices, you could be tagged with libel or slander. (More on p. 8.)

• **Little tires for little cars** aren't going to be any major problem with the advent of the "compacts." The 13-in. casings seem to be plenty rugged and have wide interchangeability, say the experts. (For a complete question-and-answer rundown, see p. 20.)

P.A.'s Testify On Salk Serum Price Rigging

Trenton—Federal, state, and local P.A.'s testifying at the price-conspiracy trial of five Salk vaccine producers have described a developing pattern of "low-bid withdrawals" on vaccine contracts.

A number of purchasing officials have pointed out that frequently producers who had bid below the "identical bids" generally received would withdraw their bid before the contract was awarded.

Government lawyers prosecuting the antitrust case in Federal District Court here are relying on the P.A. testimony to prove price-fixing charges against Eli Lilly, Allied Laboratories, American Home Products, Merck & Co., and Parke, Davis (see P.W., Oct. 26, '59, p. 26).

The defense contends that government officials pressured all manufacturers to meet any lower price offered by one producer, therefore leading to similar prices.

Joseph W. Nicholson, retired (Turn to page 26, column 5)

Wire That Stretches

Wilmington, Del.—Du Pont has come up with just the thing for portable tools, telephone equipment, or missile testing systems. It's wire that stretches up to 250% of its original length.

The stretchable wire comes with a neoprene coating for oil and abrasion resistance and is braided around a tiny elastic neoprene core. According to the manufacturer, one 2-ft. length under test was extended 250% and returned over 150,000 times without failure.

Glass Makers Hint They Pay Small, Collect Big

New York—Glass container manufacturers intimate they paid a small price for big dividends in settling the 51-day-old strike of mold-makers last week.

The manufacturers won out on the hard-fought jurisdictional point involving grievance procedures. Beginning Sept. 1, 1960, the final step in grievance matters will be arbitration, as the companies had insisted on.

The 2,000 mold-makers who struck last Sept. 13 won a two-year contract containing an 8¢-per-hour wage hike the first year, and 8½¢ the following year. Journeymen mold-makers also will receive a 2¢-an-hour pay boost as a skill increase.

Six of Purchasing Week's 12 Indicators Reflect Strong Undercurrent of Optimism

New York—The nation's economy is still glittering—even if the steel strike has put heavy tarnish on 1959. But all signs point to an upward production curve by early 1960—if.

The "if" is this: if an adequate flow of steel begins by sometime next month.

This forecast is not just wishful thinking. It's based on a new evaluation of PURCHASING WEEK's list of business indicators (see chart, p. 4) that have consistently and accurately called the turns to date.

The resurgence will be modest at first. But even that is something, considering the extreme disturbance the dormant steel industry has caused in the present business pattern.

Steel Gets Blame For New Inflation

Washington—Spiraling steel prices were diagnosed as the major inflationary germ last week in a special study made for the Joint Economic Committee of Congress.

A report by Otto Eckstein, technical director of the committee's studies, concluded that price increases in steel alone contributed 40% of the rise in the Wholesale Price Index in the period covering the years 1947 to 1958.

"If steel prices had behaved like other industrial prices," Eckstein said, "the total Wholesale Price Index would have risen by 40% less over the last decade and less by 52% since 1953." He added that "finished goods prices would have risen less by 23 and 38% respectively."

The report noted that the rise in steel prices "is a critical part of the inflation in industrial goods' prices in recent years."

The committee official wrote that a review and detailed analysis of employment costs, equipment replacement, productivity and profits, lead to the proposition (Turn to page 26, column 4)

Step by step, here's how the indicators within PURCHASING WEEK's barometer shape up as of this week:

• **Key indicators are up**—Some 6 of our 12 business indicators already point to economic improvement. And these include the all-important orders, inventories, and capital goods areas.

• **But only moderately so**—Where boosts are indicated, they are usually quite modest. If nothing else, it indicates that a new super-boom is not yet around the corner.

• **Declines are insignificant**—The three "falling barometers" hardly signal any danger. They're down only slightly. Just a small upward tilt could easily wipe out all the losses—leaving a clean upward or level slate of business indicators.

A closer look at some of these indicators of future activity indicate why we're so optimistic.

1. **Order-sales ratio**—The rise in hard goods orders during September, both in absolute volume and relative to sales, is particularly significant. The absolute increase of \$1 billion indicates that buyers are again (Turn to page 4, column 3)

November 9-15

Purchasing Perspective

1960: An Excellent Year for Business

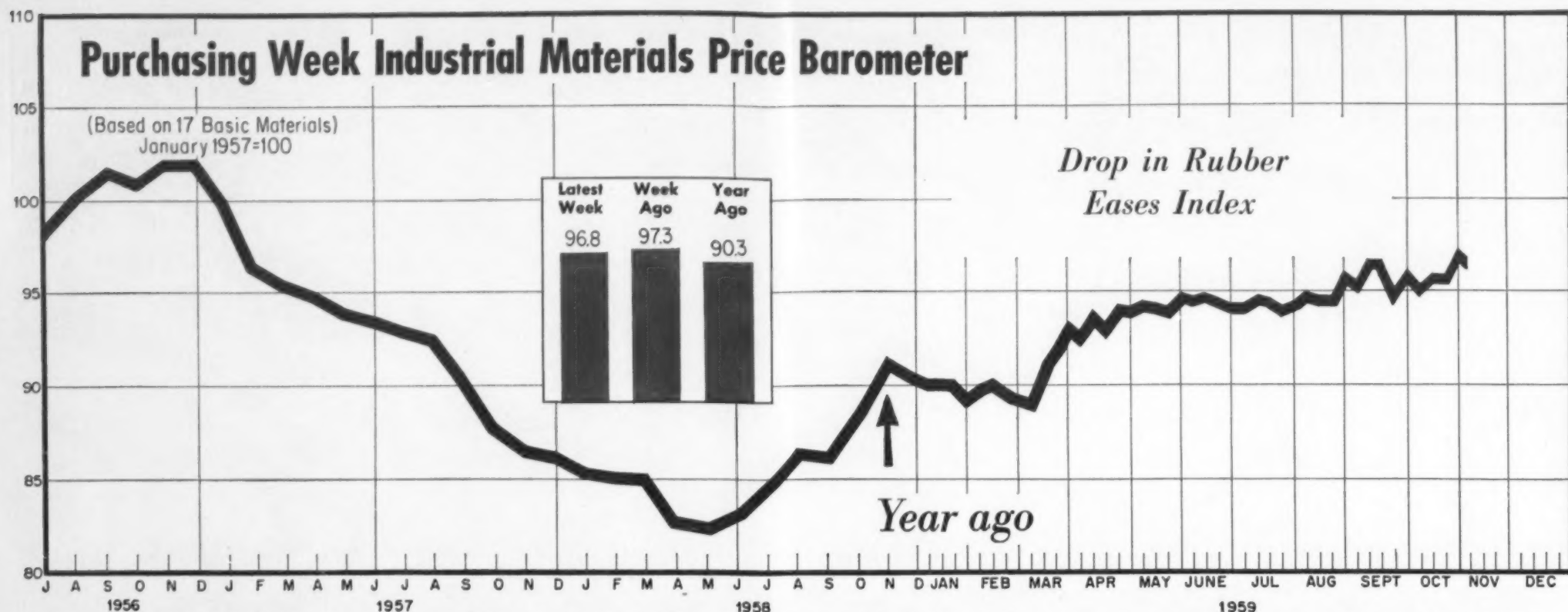
Even the term "gray market" became academic last week. Many steel buyers who went shopping with premium price cash in pocket returned with money unspent because those sources of metal have dried up.

That's how tough the steel supply situation was as the strike lingered and production pipelines emptied. Further supplier shutdowns were assured through November and into December no matter how soon workers return to the mills.

Copper and aluminum—where negotiations are stalling for a tipoff from steel—also reflected the delay in getting steel production started again. Aluminum producers began cutting back production because customers who also use steel are shaving output. Manufacturers of copper products also raised prices to reflect increasing costs of obtaining the gradually vanishing metal.

But purchasing men still able to pierce the strike gloom could count these bright spots in the post-strike outlook:

(Turn to page 26, column 1)



This index was designed by the McGraw-Hill Department of Economics to serve as an over-all sensitive barometer of movements in industrial raw

material prices. The index is not intended to give price movements of specific commodities. The items used are important only in that, together, they re-

fect the current general market trend in sensitive industrials. Weekly prices for most of the items covered are published in "Commodity Prices" below.

This Week's Commodity Prices

METALS

	Nov. 4	Oct. 28	Year Ago	% Yrly Change
Pig iron, Bessemer, Pitts., gross ton	67.00	67.00	67.00	0
Pig iron, basic, valley, gross ton	66.00	66.00	66.00	0
Steel, billets, Pitts., net ton	80.00	80.00	80.00	0
Steel, structural shapes, Pitts., cwt	5.50	5.50	5.50	0
Steel, structural shapes, Los Angeles, cwt	6.20	6.20	6.20	0
Steel, bars, del., Phila., cwt	5.975	5.975	5.975	0
Steel, bars, Pitts., cwt	5.675	5.675	5.675	0
Steel, plates, Chicago, cwt	5.30	5.30	5.30	0
Steel scrap, #1 heavy, del. Pitts., gross ton	46.00	41.00	43.50	+ 5.7
Steel scrap, #1 heavy, del. Cleve., gross ton	41.00	41.00	40.00	+ 2.5
Steel scrap, #1 heavy, del. Chicago, gross ton	45.00	45.00	42.50	+ 5.9
Aluminum, pig, lb	.247	.247	.247	0
Secondary aluminum, #380 lb	.238	.238	.218	+ 9.2
Copper, electrolytic, wire bars, refinery, lb	.327	.329	.286	+14.3
Copper scrap, #2, smelters price, lb	.265	.265	.243	+ 9.1
Lead, common, N.Y., lb	.13	.13	.13	0
Nickel, electrolytic, producers, lb	.74	.74	.74	0
Nickel, electrolytic, dealers, lb	.74	.74	.74	0
Tin, Straits, N.Y., lb	1.014	1.016	.979	+ 3.6
Zinc, Prime West, East St. Louis, lb	.125	.125	.11	+13.6

FUELS†

Fuel oil #6 or Bunker C, Gulf, bbl	2.00	2.00	2.00	0
Fuel oil #6 or Bunker C, N.Y. barge, bbl	2.37	2.37	2.37	0
Heavy fuel, PS 400, Los Angeles, rack, bbl	2.15	2.15	2.15	0
Lp-Gas, Propane, Okla. tank cars, gal	.05	.045	.05	0
Gasoline, 91 oct. reg., Chicago, tank car, gal	.115	.115	.113	+ 1.8
Gasoline, 84 oct. reg., Los Angeles, rack, gal	.117	.117	.113	+ 3.5
Kerosene, Gulf, Cargoes, gal	.086	.086	.091	- 5.5
Heating oil #2, Chicago, bulk, gal	.091	.091	.091	0

CHEMICALS

Ammonia, anhydros, refrigeration, tanks, ton	88.50	88.50	86.50	+ 2.3
Benzene, petroleum, tanks, Houston, gal	.31	.31	.31	0
Caustic soda, 76% solid, drums, carlots, cwt	4.80	4.80	4.80	0
Coconut, oil, inedible, crude, tanks, N.Y. lb	.20	.20	.17	+17.6
Glycerine, synthetic, tanks, lb	.293	.293	.278	+ 5.4
Linseed oil, raw, in drums, carlots, lb	.180	.180	.167	+ 7.8
Phthalic anhydride, tanks, lb	.165	.165	.205	-19.5
Polyethylene resin, high pressure molding, carlots, lb	.35	.35	.325	+ 7.7
Rosin, W.G. grade, carlots, fob N.Y. cwt	11.25	11.25	9.60	+17.2
Shellac, T.N., N.Y. lb	.31	.31	.31	0
Soda ash, 58%, light, carlots, cwt	1.55	1.55	1.55	0
Sulfur, crude, bulk, long ton	23.50	23.50	23.50	0
Sulfuric acid, 66° commercial, tanks, ton	22.35	22.35	22.35	0
Tallow, inedible, fancy, tank cars, N.Y. lb	.065	.065	.095	-31.7
Titanium dioxide, anatase, reg. carlots, lb	.255	.255	.255	0

PAPER

Book paper, A grade, Eng. finish, Untrimmed, carlots, cwt	17.20	17.20	17.00	+ 1.2
Bond paper, #1 sulfite, water marked 20 lb, car. lots, cwt	25.20	25.20	24.20	+ 4.1
Chipboard, del. N.Y., carlots, ton	95.00	95.00	100.00	- 5.0
Wrapping paper, std. Kraft, basis wt. 50 lb rolls	9.25	9.25	9.00	+ 2.8
Gummed sealing tape, #2, 60 lb basis, 600 ft. bundle	6.30	6.30	6.40	- 1.6
Old corrugated boxes, dealers, Chicago, ton	19.00	21.00	23.00	-17.4

BUILDING MATERIALS‡

Cement, Portland, bulk carlots, fob New Orleans, bbl	3.65	3.65	3.65	0
Cement, Portland, bulk carlots, fob N.Y., bbl	4.18	4.18	4.14	+ 1.0
Southern pine, 2x4, s4s, trucklots, fob N.Y., mftbm	125.00	125.00	124.00	+ .8
Douglas fir, 2x4, s4s, carlots, fob Chicago, mftbm	139.00	139.00	129.00	+ 7.3
Douglas fir, 2x4, s4s, carlots, fob Toronto, mftbm	108.00	108.00	109.00	- .9

TEXTILES

Burlap, 10 oz, 40", N.Y., yd	.104	.102	.106	- 1.9
Cotton middling, 1", N.Y., lb	.327	.327	.364	-10.2
Printcloth, 39", 80x80, N.Y., spot, yd	.208	.208	.177	+17.5
Rayon twill 40½", 92x62, N.Y., yd	.25	.25	.22	+13.6
Wool tops, N.Y., lb.	1.625	1.640	1.49	+ 9.1

HIDES AND RUBBER

Hides, cow, light native, packers, Chicago, lb.	.235	.235	.19	+23.7
Rubber, #1 std ribbed smoked sheets, N.Y., lb.	.435	.450	.314	+38.5

† Source: Petroleum Week ‡ Source: Engineering News-Record

November 9-15

Price Perspective

Repercussions to Wrestle With

Price repercussions stemming from the steel strike will be felt long after mills are back on full production schedules.

You just can't pick up where you left off more than a quarter of a year ago—and expect to see everything unchanged.

We estimated the over-all effect on prices here last week at approximately 2-3% over the next twelve months. We still stand by that forecast.

But that doesn't mean that we can all sit back and relax. Some of the inflationary forces will be particularly strong in the coming months as a direct result of the recent strikes.

Here's a rundown on some of the more important price-influencing repercussions that you may be wrestling with in coming months.

1. DEMAND SPURT—Once steel shortages are over, business will be heading for new peaks (see p. 1)—with subsequent upward price push.

It happened in 1952 when output zoomed up 15% in six months following settlement of the steel strike. And it happened again in 1956 when production jumped 7% in the same period.

Substantial jumps in demand like these always tend to firm prices. And they give added impetus to other more dormant inflationary forces.

2. PROFIT SQUEEZE—Here's another often forgotten element in evaluating future price forces.

It goes without saying that steel and rails have been hard hit, profit-wise, by the strikes. But so have a lot of other industries, too. Result: Second half profit will be considerably below the \$49.5-billion annual rate reached in the first half of the year. July-December rate could fall below \$47 billion.

Lower profits mean intensification of the cost-price squeeze faced by many suppliers. It increases the temptation to boost tags—or at least to get "on the bandwagon" if big suppliers decide to post hikes.

3. GOVERNMENT DEFICITS—Shutdowns have more than likely turned a small budget surplus into a deficit. And deficits are always inflationary.

The pre-strike budget estimate called for a surplus of about \$100 million—based on an expected rise in Uncle Sam's tax take. But with profits lower, this expected increase has been more than wiped out.

Steel firm's tax bill alone will probably decline by a smart \$100-\$200 million. Then there are also a lot of other industries to consider.

And finally there are the consumers. They've had their incomes cut by an estimated \$1 billion by work stoppages. That's bound to lop another few hundred million off the tax rolls.

4. CREDIT COST RISES—Costs of borrowing—a substantial item for many firms—also may rise as output picks up again.

Up until now, the credit pinch has been partially offset by a strike-induced decline in business needs. But increasing economic activity and inventory replenishment very soon will change all that.

Upped demand for funds could mean a boost in bank borrowing costs—particularly if the rediscount rate is hiked again to above 4%.

One bright spot: This inflationary cost factor should ease in early '60 in line with the usual cash inflow at that time of the year. A switchover back to budget surplus also should help the money squeeze.

Aluminum Dilemma: When, How to Raise Price

New York—Despite recent slashes in sheet prices, aluminum companies really are angling for a rise. But this won't be an easy decision for the industry. It will be a last resort in a situation saddled with over-capacity and rising costs.

Aluminum producers are in trouble. Insiders have known this for a month or more but it was not until output cuts were announced the past week that others were let in on the story.

• Big worry of aluminum producers is over-capacity. Even when U.S. industrial activity reached a record high in mid-1959 it could not support the industry at close to 100% of capacity. Coupled with the demand based on record economic activity was the expectation of a strike when labor contracts were to end July 31.

Not Up to 100%

Buyers rushed for metal in May, June, and especially in July. Still, the primary industry did not get to 100%. Up to 1957 it had always operated at 100%. Shipments to the U.S. government stockpile had filled out deficiencies in demand. That is over now for the major three producers.

Reynolds Metals, which had gone to 100% of capacity for its primary metal production early in the summer, then to 91% in September, announced on Nov. 2 it was dropping output to 80% of capacity. Kaiser, which got up to 90% earlier in the year, said on Oct. 29 it would cut to 80%. Alcoa, tops in world capacity, had gone to 82% early in the year. It indicated it was not likely to cut immediately since it had not raised so much.

Steel Had Little Effect

The steel strike had little effect on aluminum demand in October and practically none in September. Yet shipments of aluminum products were very low both months, according to Aluminum Association data. This partly reflects the heavy stocking by buyers in the summer—but it also indicates a return to normal. The effect of the steel strike may really appear in November and December.

Over Capacity Serious

Over-capacity of 25% might not be so bad in some industries, but in aluminum it is serious. It costs almost a third as much not to produce a pound of aluminum as to produce it—shutting down a plant does not stop costs at the plant.

• To expand its market, Alcoa slashed aluminum sheet prices recently. It introduced a new sheet aimed mainly at the building trades, large user of aluminum sheet. But it can be used for many other purposes.

And, the other two big producers—Kaiser and Reynolds—can turn out a sheet comparable to Alcoa's. They can hope to obtain a large enough share of the sheet market to introduce the plant specialization which Alcoa says will permit the new move to pay off.

Independent fabricators of sheet, already squeezed between the price of pig (and in some

cases reroll) and of fabricated products sold by their big aluminum suppliers, raised a fuss.

The smaller firms say they have no chance. They say they will be unable to stay in the sheet business. For many, most of their business is in sheet.

Industry analysts estimate that gross revenue of the industry could be cut by \$35 million to \$50 million by the sheet cuts. It means at least an equal amount of economies will have to be made in order to realize a profit on the change. It will almost

certainly mean a readjustment of aluminum fabrication with the big ones getting bigger.

Some Might Get Hurt

At least one of the large producers suggested concern—he admitted some companies might get hurt—including the other two big ones. But he said marketing progress should not be held up by failure of the industry to get organized on the most efficient basis.

• Labor contract situations

are another trouble spot for the big producers. Most contracts ended July 31, but operations have continued, by agreement, until a new retroactive settlement is reached. Kaiser, which settled for its steel properties, may follow for its aluminum plants.

Margins of the big producers have been so low that higher labor costs will make a price rise necessary if the companies are to keep out of the red. But signs indicate that Canada's Aluminium Ltd., increasingly dependent for outlets on the independent U.S. fabricator, may not go along with a price rise.

This company, the world's second largest producer, said earlier

in the year that if the price spread between pig and fabricated products did not increase, it would not raise prices. The new sheet prices suggest the squeeze is greater rather than less.

Cannot Charge Higher Price

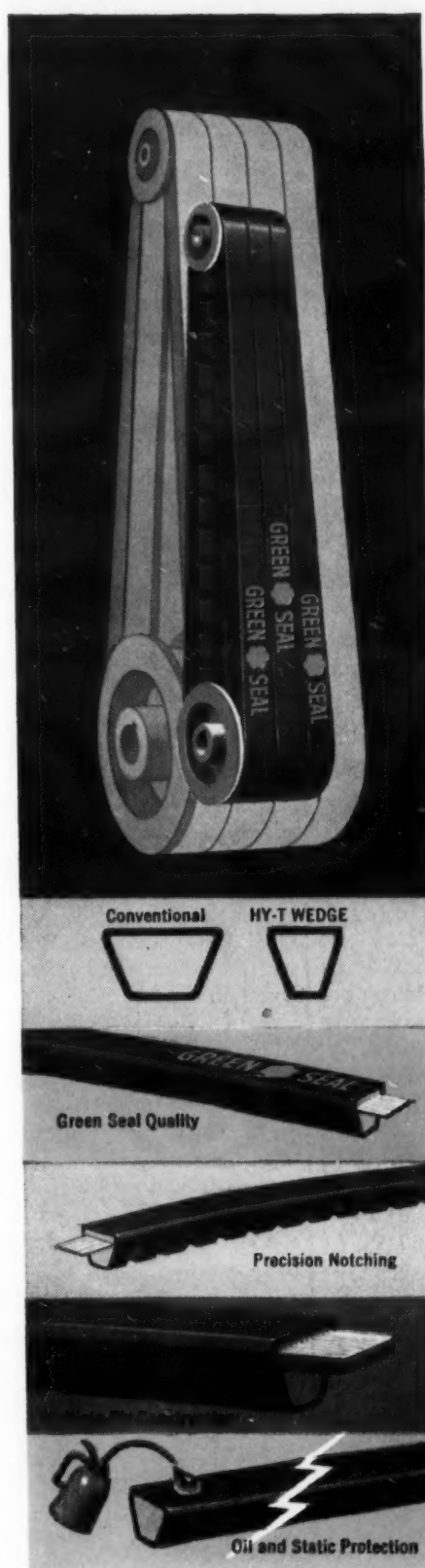
Many feel the U.S. producer cannot charge a higher price than Aluminium. What will Aluminium do? Recently it called its U.S. executives to Canada to review the situation.

If all prices are raised, with product prices being raised more than pig, it will leave the U.S. door open for even more imports. But producers have to have that price increase!

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Washington Perspective

'Grass Roots' Mobilize
Against Inflation

Vice President Nixon's anti-inflation committee scores with the first concrete results of its activities.

The committee was successful in helping line up a privately-sponsored nationwide campaign against inflation.

President Eisenhower launched the campaign last week. The campaign has enlisted the support of 48 different organizations to drive home to the public the perils of inflation.

Various groups had approached the Nixon committee earlier this year to volunteer their efforts for such a campaign. The committee tied these groups together into one big citizens' campaign. Up until now, the committee has concentrated mainly on theoretical studies and background material for its work.

Launching of the campaign means the Nixon group is stepping out. One of the aims of the campaign is to get signatures of 15 million Americans urging policies aimed at stabilizing the dollar.

• • •

A basic shift in U. S. foreign economic policy appears in the making.

The subject is building up into a major issue; one that has important overtones for purchasing agents and American business as a whole.

The whole subject is tied in partly with efforts to preserve the purchasing power of the dollar. Now that inflation has come under limited control at home, policy makers are turning to the international sphere as the next area in which to try to strengthen the dollar.

But there are other facets: Basic to the whole issue is the radical changes in international economic developments of the past few years: increasing competition from foreign producers, the rise in protectionism culminating in common markets, and the need to step up U. S. exports.

Some U. S. policymakers are so concerned they see the urgent need for action now to head off what they believe could develop into a chaotic situation and increasing rigidity in free world trade.

Industry, Congress, and the Administration will take a hand in shaping the new direction. Treasury Secretary Anderson spearheads the new appraisal.

Anderson's big concern is to preserve the soundness of the dollar internationally. He sees the dollar as the bulwark of free world economies, serving a function as the only truly worldwide convertible currency.

Anderson is apprehensive over the gap in the U. S. balance of payments—the fact that the U. S. is spending more abroad than it is taking in. A continuation of this trend of the past several years would only undermine the confidence in and the value of the dollar, in his view.

Foreign aid is in for some soul searching. Anderson was instrumental in tacking a "buy American" clause onto U. S. development loan programs abroad. He also wants to have other aid funds sent overseas used to purchase U. S. produced goods. But he's meeting opposition from the State Department and the Commerce Department.

Anderson argues fervently that European economies have been rebuilt after their wartime ravages and that their governments should now help in aiding underdeveloped countries; that the United States can no longer afford to carry the load by itself.

There are other aspects to the problem. Important members in Congress are concerned about the creation of common markets. Note the European and Latin American economic blocs.

Now there is fear that African nations will be drawn into an economic bloc arrangement. Furthermore, there's apprehensions that Japan may be driven into the arms of Red China if that trading nation finds its products discriminated against by bloc nations.

Weekly Production Records

	Latest Week	Week Ago	Year Ago
Steel ingot, thous tons	368	371	2,011
Autos, units	103,013	112,488	97,804
Trucks, units	16,329	20,799	19,178
Crude runs, thous bbl, daily aver	7,491	7,662	7,752
Distillate fuel oil, thous bbl	11,849	12,253	13,039
Residual fuel oil, thous bbl	6,279	5,902	7,123
Gasoline, thous bbl	27,239	27,236	27,400
Petroleum refineries operating rate, %	77.2	78.9	83.0
Container board, tons	177,086	168,011	169,436
Boxboard, tons	155,217	149,812	148,727
Paper operating rate, %	96.1	96.9	92.3
Lumber, thous of board ft	258,824	256,666	264,733
Bituminous coal, daily aver thous tons	1,350	1,329	1,410
Electric power, million kilowatt hours	12,978	12,762	12,330
Eng const awards, mil \$ Eng News-Rec	251.9	318.5	221.5

Six Indicators Still Pointing Up, Despite Steel

LEADING INDICATORS	WHAT THEY PREDICT	Current Outlook	Outlook 3 Mos. Ago
P.W. Price Barometer	Imminent changes in over-all demand.	→	→
P.W. Overtime Hour Index	The urgency of meeting delivery schedules.	↓	↑
Day's Supply	Future inventory policy and trends.	↑	↑
Ratio: New Orders/Sales	Trend in manufacturing backlogs and hence business activity.	↑	↑
Ratio: Stock/Orders	Effect of orders on production schedules.	↑	↑
Business Births	Opportunities available for new business.	↑	→
Business Failures	Relative health of business community.	↓	↓
Industrial Stock Prices	Wall St. appraisal of business outlook.	→	↑
Plant & Equipment Spending	Future capital spending plans of the nation's businessmen.	↑	↑
Machine Tool Orders	Business feeling about future economic climate.	↑	↑
Construction Awards	Future over-all construction activity.	→	↑
Housing Starts	Near-term residential building activity.	↓	→

Six of Purchasing Week's 12 Indicators Point Toward a Far Better Year in 1960

(Continued from page 1)
ordering and planning ahead for production boosts.

More important, the fact that new orders are 6.3% above sales means that backlogs are again increasing. Unfilled orders at the beginning of October were reported at \$47.9 billion, the highest level reported since December 1957.

2. Days' supply—The ratio of inventories to sales (days' supply) also presents a rosy picture—with a relatively low figure indicating that a sharp inventory build-up is ahead. This in turn means positive repercussions on production, sales, and income.

At latest reading, the days' supply for hard goods was only a little over two months. That's somewhat below the year-ago figure of 66 days—and well below the 1958 record high of 77 days set in early 1958.

3. Capital equipment spending—The continuing rise in expected outlays attest to the basic optimism of American businessmen. The high \$35.34 billion in new outlays anticipated for the final quarter of 1959 (seasonally adjusted annual rate) could never have come about if top management didn't see sharp production gains ahead. Indications are that the heavy capital spending trend will continue. Verification should come next week when McGraw-Hill's Department of Economics makes public its annual capital equipment survey that predicts outlays into 1961.

4. Construction—Here's an

area that seems to be peaking out—but at a very high level. The decline in housing starts have been extremely small. The latest annual rate, 1,325,000 is still close to 6% above a year ago.

Construction awards must also be reviewed in the proper context. True, the latest report shows a dollar volume dip. But after you make adjustments for seasonable variation, the September levels compared favorably with the previous month—indicating a high, level plateau for construction's future.

Blow-By-Blow Reading

A blow-by-blow reading of the above indicators—along with eight others—is condensed in the table above. Along with the current fourth quarter trends, you'll find a brief description of what each indicator is designed to show.

Note that every one of them

telegraphs some future business development. In other words, they are what economists like to call "leading indicators." They indicate what the future trend is likely to be—rather than just reporting on the current state of business.

Most Adjusted for Fluctuations

Another important point: Most of these measures have been adjusted for seasonal fluctuations. Thus, if we note a rise from three months ago, it's a real one and not just due to the expected seasonal factors reported.

For example, housing starts in winter always tend to fall off as the weather slows down construction activity. But the seasonally adjusted figures take this slowdown into account—and make them comparable to housing starts during the more active spring and summer construction season.

Natural Gas—From Alberta to U.S.

Washington—Canadian authorization is the final hurdle in the long struggle to import natural gas from Alberta fields into the North Central States.

U. S. barriers were cleared Oct. 31 as the Federal Power Commission approved Midwestern Gas Transmission's plan to buy 204,000 million cubic feet a day from Trans-Canada Pipe Lines and sell 158,000 million cubic feet a day to Michigan Wisconsin Pipe Line.

Midwestern, a subsidiary of Tennessee Gas Transmission and

Michigan Wisconsin, plan new facilities estimated at a total of \$76.5 million.

Midwestern also will sell to Northern States Power, Montana-Dakota Utilities, United Petroleum Gas, and nine Minnesota Communities. Michigan Wisconsin will serve new and existing customers in Wisconsin and the upper peninsula of Michigan it was reported.

With speedy approval from Dominion and Alberta authorities, construction should begin in early spring.

By 1970, Foresees 50% Quicker Machining

Over 700 Delegates at A.I.E.E. Conference Hear Appraisal of Automation Advances, Energy Needs

Cleveland — "Man-hour requirements for machining have been cut approximately in half every 10 years, so by 1970 we might expect them to be cut to half the present level," M. E. Merchant, research director of Cincinnati Milling, told representatives of the machine tool industry.

More than 700 delegates were here to attend the American Institute of Electrical Engineers' 11th annual Machine Tool Conference (Oct. 19-21). They heard experts discuss new processes, programming, motor types, drive systems, and controls for machine tools.

Automatic Design

Taking a 10 year look into the future of machining, Merchant described a development that would aid industry in attaining its goal—automatic design.

"Automatic design takes the basic design specifications as conceived by the engineer, puts these into a computer, and derives a finished part design that meets these specifications—along with a program to operate the machine tool to produce this part. Components of such a set-up already are on the scene," Merchant said.

Growing Accuracy

He called attention to the rapid rate of improvement in machine accuracy, and pointed out graphically that the rate has been increasing rapidly, and shows no signs of leveling. He said that accuracy could in the future possibly reach the only physical limitation to the accuracy of a tool, the size of the atom.

Despite the increasing improvement in the industry Merchant called for increased research. "It appears that progress in improvement of the metal removal process

has been too easy in the past," Merchant complained. "It seems evident that to go on from here will not be as easy, and an increasing research attack must be mounted with well-defined objectives and with coordinated usage of scientific and engineering approaches."

Merchant quoted the possibilities of electrical machining as an example of an area which needs

further research. He included in this area electro-chemical machining, electron beam machining and plasmajet.

"Finally," Merchant concluded, "there must be an all-out attack on the general problem of the use of energy—physical, chemical, electrical, nuclear, or other—to remove metal."

Stinging from competition with the European tool manufacturers, the conferees were told by Warner & Swasey Co. President Walter K. Bailey that sales to the Europeans would grow as the

Europeans were able to export more.

Just back from a European trip, Bailey told the audience, "Although American companies may feel keen competition from the European manufacturers, they'll also sell them more goods."

"Historically," Bailey said, "countries that boost production boost both exports and imports. We can expect that they'll be buying more from us, too."

Bailey pointed out that earnings of the European workers are increasing and said that, in his opinion, European wages would go even higher.

"In the last four or five years, wages and salaries abroad have

gone up faster than ours. Where formerly our wages were four times greater, now they're only three times greater. I think that trend will continue," he said.

Methods for producing fluturn-ing, three dimensional, automatic programming of machine tools, printed circuitry, and static control systems more economically were described in detail during the three-day session.

The National Machine Tool Builders Association, with headquarters in Washington, discussed the current machine tool electrical standard. The standard recognizes for the first time the use of electronic and static devices in the industry.

CUT GLOVE COSTS Due to Broken Seams!

AO Drednaut Welder's Gloves

NO SEAMS ACROSS FINGERS! That's why this American Optical Gunn-type Glove provides maximum resistance to wear, more comfort — longer life! Leather is specially chrome-tanned split cowhide — tough but flexible. The flat, double-stitched seam at base of fingers is more comfortable than an inverted seam — and it's a feature to look for. One-piece back, wing thumb. 14" long overall. Has back liner for added protection and comfort.



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From AO'S Complete Line of Quality Specially Chrome-Tanned Split Cowhide Gloves



SC5X163

Very resistant to heat. Protects on gas welding and heaviest amperage electric welding. One-piece base and palm. Weltd at all vulnerable seams for added strength. Extra heavy lining on back of hand. 14" long.



SCTX100

Gunn cut, one-piece back. Wing thumb. Double thickness of leather on first finger and thumb. Lined on back of hand from wrist to fingertips. Full gauntlet. 14" long overall. Flat seam at palm base.



SC3013

Leather patch on back of hand gives added protection against sparks and molten metal. Thumb and first finger reinforced with leather patch. Reinforcing leather strap around thumb. Full gauntlet. 14" long.

Kaiser Aluminum Corp. Claims 99.99% Purity

Mead, Wash.—Kaiser Aluminum & Chemical Corp. has tripled production capacity of super-purity aluminum to more than one million pounds annually with installation of two refining coils at its reduction plant located here.

Kaiser super purity aluminum, carrying a purity guarantee of 99.99+%, is commercially available in 6, 15, 30, and 50 lb. ingots. The metal is used as a petroleum catalyst for high-octane gasoline production, as foil for electrical capacitors, and for decorative purposes.

Wah Chang Corp. Grows

Albany, Ore.—Expansion now underway at the Wah Chang Corp. metallurgical plant will give the company the only domestic facility for processing zirconium crude ore into rod and sheet.

The enlarged facilities will house a new type of arc-melting furnace, two electron-beam furnaces, four rolling mills, and forging and extrusion equipment for the firm.

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Steel Famine Halts 193 Public Road Projects

Washington — A steel strike tally by the Bureau of Public Roads shows that some 193 projects with a dollar value totalling over \$200 million were disrupted to some degree by the middle of October.

58 Projects Held Up

The states report that work on 58 projects worth \$45.9 million had come to a stop by that date; that 122 projects costing 158.4 million were delayed; six projects at \$8.5 million were trimmed back; work on two projects at \$452,000 was considered hazardous because there was no steel to complete the job; four projects valued at \$8.1 million had to be redesigned because of no steel; and advertising was delayed on one project at \$1 million.

The big question worrying state purchasing officials now is how long it will be after the mills go back into production before they can get deliveries. Some

steel suppliers are predicting a wait of two to three months on deliveries.

With all industry hurting for steel, mills will be hard pressed to meet demands for months to come. Steel will likely be in tight supply, some highway observers are predicting, for at least six months.

A Big Backlog

For one thing, there is a sizable backlog of defense jobs with a priority to get first production. One estimate is that it will take

at least two months for the mills to clear these orders. It includes such work as structural steel for the big intercontinental ballistic missile bases, Polaris submarine construction steel, etc.

The pinch in steel has focused more attention on buying imported steel. The Bureau of Public Roads reports the use of foreign steel has climbed in the past few months, but it doesn't get detailed reporting sufficient to measure how much the increase has been over the past few months.

Italian Machinery Firm Claims First Continuous Rotary Plastic Welding

Turin, Italy — Gaico, an Italian machinery maker, has come out with what it claims is the first and only continuous rotary plastic welding machine in the world.

The principle of the machine is not new. Welding takes place by the passage of induced current from an electrode, shaped at will and pressing on the parts to be welded, to a fixed counter-electrode.

The innovation of the machine,

however, consists in its continuous uninterrupted, infinite length, straight, curved, or out of plane, welding ability. It is said to allow for output of up to 10,000 pieces per hour.

Material used for welding is polyvinyl chloride. Other suitable substances can be used by varying the electronic circuit.

The Gaico welder was shown for the first time at the International Technical Exhibition in Turin last month.

Argentine Fires Its Own Furnace

Buenos Aires — Argentina's first domestically constructed blast furnace will begin operating around March 1960, with an initial capacity of 15 tons of pig iron daily.

Owners of the new steel plant, being built near General Guemes, are an Argentine consortium which set up the company under the name of Altos Hornos Guemes S.A. Estimated cost of the initial facilities is \$1.25 million.

Construction of a second blast furnace, which will start before the end of next year, will boost the company's output capacity to 85 tons daily. The plant will be fed from iron ore deposits at nearby Unchime it was reported by a company spokesman.

British Textile Firm Exploring U. S., Canada

London — Britain's Courtaulds has formed two new North American subsidiaries to "explore and develop opportunities" outside the textile field in the U. S. and Canada.

Courtaulds North America, Inc., will be headquartered in New York, while Courtaulds North America, Ltd., will be located in Montreal.

The formation of these companies is part of a general diversification policy that in the past several years has put Courtaulds into a variety of activities in chemicals, petrochemicals, packaging, steel tire cord, plastics, paint, and many other products.

Du Pont Doubles Up

Belle, W. Va. — Construction of a new methylamines plant will more than double Du Pont's production capacity for the basic chemicals used in rocket propellants, agricultural chemicals, rubber products, textile fibers and dyes, and pharmaceuticals.

Scheduled for completion early in 1961, the new plant is expected to provide Eastern customers with better service at lower freight costs.



NO SUPPLEMENTARY LIGHTING—Here inside the new wing of Assembly Products, Inc., the Power Groove general lighting does all the work—without supplementary lighting—improving appearance and efficiency, reducing initial cost and operating expense.

"Our new building cost us 50¢ a square foot less—just by using new General Electric Power Groove Lamps!"

says Mr. John D. Saint-Amour, President, Assembly Products, Inc., Chesterland, Ohio

When Assembly Products, Inc., an aggressive and growing manufacturer of meter-relays, added a new wing to its plant in Chesterland, Ohio, it quickly settled on new General Electric Power Groove Lamps. Why Power Grooves? Because they got more light per lamp—so they needed fewer lamps and fixtures. They got a comfortable 250-footcandles on the work, and saved 50¢ a square foot over the next most powerful fluorescent lamp type.

In a recent letter to General Electric, Mr. John D. Saint-Amour, president of Assembly Products, said: "The Power Groove system recently installed in the new wing of our plant has already proved to be a valuable investment. In the older plant area, both general lighting and supplementary lighting were required. The gen-

eral lighting *alone* is all that's needed in our new wing. We're confident this new lighting system will result in better, faster, and more efficient production."

PLANNING NEW LIGHTING? Then find out all about the new G-E Power Groove

Lamps. They come in 4, 6 and 8-foot lengths—designed to deliver up to 15,000 lumens, and they're interchangeable with original Power Grooves. For more information, write: General Electric Co., Large Lamp Dept. C-938, Nela Park, Cleveland 12, Ohio.

SAVINGS ON INITIAL INVESTMENT BY USING G-E POWER GROOVES COMPARED TO OTHER 8-FOOT FLUORESCENTS

(Based on a 250-footcandle level, at about \$2.06 per square foot using Power Grooves)	SAVINGS PER FOOT	SAVINGS PER 10,000 FT.
POWER GROOVES vs. 8' HIGH OUTPUT LAMPS (at \$2.56/sq.ft.)	50¢	\$5,000
POWER GROOVES vs. 8' SLIMLINE LAMPS (at \$2.83/sq.ft.)	77¢	\$7,700

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Matson Eyes Smaller 'Knockdown' Containers

Increased Demand for Container Space Prompts Freight Line to Consider Purchase for Interim

San Francisco—The increasing demand for container space has Matson Navigation Co. officials eyeing smaller "knockdown" containers which can be stored below deck.

Randolph Sevier, Matson president, said the line is considering the purchase of 3,000 such containers for interim use in its Hawaii-West Coast freight service. "This will make more container capacity available quickly," he said.

The smaller containers would be especially designed to fit six each inside conventional 24-ft. containers, the steamship executive explained. This design twist would permit shippers to continue using the smaller containers economically even after a sufficient quantity of full-sized containers becomes available.

It also would permit smaller shipments to be made more eco-

nomically and would facilitate sharing of larger containers by more than one shipper. In the meantime, Matson is expanding its cargo container program through:

- Purchase of 820 full-size containers from Trailmobile, Inc., at a cost of \$3.5-million. These will include 120 refrigerator units.

- Conversion of the freighter

Hawaiian Citizen into a full-container ship. It is expected to be in service next Spring.

- Integration of containerization with bulk carriers. Matson is considering the purchase of two C-4 bulk carriers from the Hawaiian sugar trade. These ships would carry 160 cargo containers on deck, and 16,000 tons of sugar below.

- Assembly of new gantry cranes for Honolulu and Los Angeles installations at a total cost of about \$800,000 to the company.

New U.S.-Orient Air Freight Rates Enable Some Reductions Up to 50%

New York—Air freight carriers operating between the U. S. and the Orient plan to adopt a new rating system which will make possible rate reductions of 50% on some shipments being handled.

Pan American World Airways will initiate the move on Jan. 1. Northwest Orient Airlines, Canadian Pacific Airlines, and Japan Airlines indicated that they would follow suit.

Pan American said the pres-

ent complex rate setup based on the type of commodity to be carried would be replaced with a method based on the weight of the shipment. The heavier the total weight of the shipment, the lower the rate for each pound in the shipment.

Citing an example of the potential reductions involved, the airline said the rate per pound of a 22,000-lb. shipment from San Francisco to Tokyo would be cut from \$1.62 to 75¢.

Bethlehem Steel Floats Huge Lakes Ore Boat

Detroit—The Bethlehem Steel Co. launched a 730-ft.-long ore carrier last week, which will be the largest American ore vessel to ply the Great Lakes.

Bearing the name of Bethlehem's president, Arthur B. Homer, the ship will go into service in the 1960 navigation season. It will haul ore from the upper lakes to the company's expanding Lackawanna plant, the nation's fourth largest steel plant.

The vessel is so big that in one navigation season it will be able to deliver 850,000 gross tons of iron ore, enough to fill the needs of one of the larger blast furnaces at the Lackawanna plant for an entire year.

Government Purchasing Only 3 Stockpile Items

Washington—Government purchases of strategic materials for its already overloaded national stockpile during the current fiscal year ending next June 30 will be limited to three items, Office of Civil and Defense Mobilization revealed last week.

Jeweled bearings, small diamond dies, and chrysotile asbestos are all that remain on the federal shopping list of items whose stock-pile goals have not yet been filled or committed.

In addition to these three buying list items, the government announced it would continue to upgrade tungsten and molybdenum on hand to meet stockpile specifications.

Chemical Plant Rebuilt

Austin, Tex.—The Specialty Chemicals Division of Reichhold Chemicals, Inc., almost totally destroyed by a tornado earlier this year is back on stream.

The rebuilt facilities are completely modernized, with expanded production capacity. The Specialty Chemicals Division produces organic peroxide for catalysts in making glass-fiber-reinforced polyester plastic products.

There's a **USS** steel container to meet almost every shipping need



Example:

chemicals for cleaning

Shipments of countless products travel safely, their purity assured, in carbon or stainless-steel shipping containers from United States Steel.

Whatever your product, USS steel drums and pails offer the ultimate in protection in chemically clean steel containers in a variety of sizes and closures.

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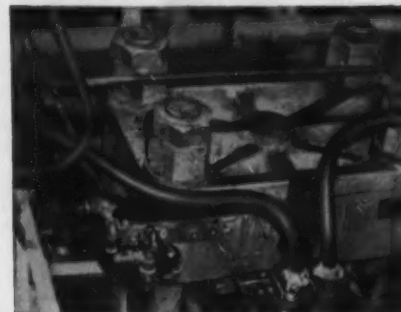
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What the P.A. Should Know About

A Complaint or Reservation Can Turn Around and Haunt the Unwary Purchaser

When Purchasing Agent Jack B. got home, a legal paper awaited him. It was his first inkling that he was about to go through a long ordeal of defending a statement he had written quite innocently about one of his prospective suppliers. The supplier was charging him with libel.

There are three good reasons why Jack and all purchasing men should be well-informed on the laws of libel and slander:

1. Purchasing executives are especially vulnerable to legal actions under such laws—because of the influence their statements, or writings, about vendors may have on the success or failure of those vendors.

2. It is easy to commit libel or slander.

3. Damages resulting from libel or slander charges can be irreparable, even ruinous, to a P.A. or his company.

The purchasing agent is generally concerned with statements or writings referring to the business, trade, or occupation, of persons, or to the person's conduct in the operation of his business, or relating to his credit or lack of it. To avoid litigation under slander and libel laws, the P.A. must not only refrain from originating such statements but he must also beware of repeating slanders or libels.

What Are the Problems

Just what is this problem of slander and libel the P.A. should be aware of in his daily operations? How should he seek information, and how should he answer inquiries from other P.A.'s on unsatisfactory vendors? Let's see, by example, just how easy it is for a P.A. to slip into a guilty role under slander and libel laws.

Let us take Jack B. for example. He is a P.A. in the market for paper tonnage of a particular weight, clarity, and gloss. He has heard from one source that the paper in which he is interested is available from supplier, Mr. X, at a favorable price. He has also heard from the rumor mill that X makes the first delivery on time, and of good quality paper, but because of difficulties due to limited credit has been known to miss subsequent delivery dates, to substitute paper of similar weight but of inferior clarity.

Jack has never dealt with X before. What does he do to confirm or refute the rumor information? Does he do anything, or does he go it blind? Like most people, he calls a buddy in the same field and says, "Bill, have you ever dealt with X? What has been your experience with him? Is he reliable? Does he live up to his contracts? What about his product? Is he financially able to meet demands of his manufacturing commitments? What about delivery, can I count on X to meet delivery dates?"

or . . .

Now slander and libel rears its ugly head—does Jack say or write to his friend, "Bill, I've just about made up my mind to do business with X but I understand he is on the brink financially, and on deliveries is taking from Peter to pay Paul. What do you know

about him? Does he deliver according to contract, or does he ship any old thing he has on hand if he is squeezed financially? I've heard some comments about him that make me hesitant to deal with him."

Bill then says, "I've had some deals with him and they have always worked out. But if what you say is true I guess I had better look for another supplier too. Sorry I can't help you Jack, but thanks for the info."

What has happened? Jack has slandered X by the statements "he's on the brink financially." He's taking from Peter to pay Paul," etc. If his friend Bill happened to be at some distance and he put the statements in writing, then Jack has made a defamatory statement that is libelous per se.

From the example it can be seen how easily a P.A. may fall prey to the slander-libel snare. Consequences may be very damaging to the man and to his company, either through court action, or through damage to good name in the business community.

How can a P.A. be sure he is on safe grounds in such a case as cited?

To be safe the purchasing agent must deal in matters of personal knowledge in giving information. In seeking information he must not preface his request with a defamatory statement to which he only requires a "yes" or "no" answer, or some qualifying remark. For example, if he has heard a rumor that X is unable to meet manufacturing expenses, and is likely to default on delivery of products, his questions should be; "What is your experience in dealing with X with respect to current deliveries? What is X's current credit rating?"

In answering similar inquiries a P.A. should only state those facts that are within his personal knowledge, and that he can prove—otherwise, he must rely upon the defenses to libel or slander that are available to him and so take his chances.

Defenses of Purchasing Agents

While there are several legal defenses available against slander and libel, the purchasing agent's defenses would probably be limited to defenses called, "truth of the statements," and "qualified privilege." The first defense, truth, is self-explanatory.

Qualified privilege relates to statements made in good faith, in answer to one having an interest in the information sought; or when made voluntarily to a person who has an interest in the communication and the party making the statement has a relationship with the recipient of the communication that makes it a reasonable duty to so communicate with him.

Qualified privilege could also apply when the statement is made in discharge of a public duty, as

might be so in the case of a government procurement man.

One point to remember in connection with this defense is that malice destroys this protection completely. Where the communication is qualifiedly privileged the plaintiff must prove malice—it is not presumed. In discharging a public duty such as information of a crime, or attempted crime, stated to proper authority, the person making the statement is further protected by the requirement that the plaintiff not only show express malice but also lack of probable cause.

The P.A.'s qualified privilege lies in the first situation stated: that the defamatory statement was made in good faith without malice and in answer to one having an interest in the information requested. The area of protection seems well defined—but there are many pitfalls. For example, is the defamatory statement made in "good faith" if there are no circumstances that would lead a reasonable person to conclude that such a condition exists. Or, as the courts have said, is the person making the defamatory statement merely opening the floodgates of injurious gossip.

Another question is concerned whether the person to whom the communication is made has "an interest in the information" if the inquiry is made out of curiosity, and outside the bounds of re-

quired business information?

These are the questions that must be weighed before making the statement concerning another's business, trade, or occupation. There is no "interest" in any person not engaged in business with a businessman in requesting credit information from you concerning such person. If you make a defamatory statement concerning such credit you are not protected by the defense of qualified privilege.

Voluntary general statements to the public or press are not protected by qualified privilege—so remember this when you make speeches to other purchasing agents, or other groups, telling them to look out for so-and-so or his products. If you make a slanderous statement in such a case you would have to seek other defenses than qualified privilege to protect yourself.

Guide List on Slander and Libel

As indicated before, the practice of the purchasing agent should be the same in making statements as it is in selecting products for purchase:

1. Are the facts within your personal knowledge, and can you prove them legally if called upon to do so?

2. Are the statements merely repetition of unfounded rumors that you haven't checked?

One who repeats a slander or

Slander-Libel Glossary

SLANDER is the spoken word. Slanderous words charge some punishable crime, or impute some offensive disease that would tend to estrange a person from society, or that tend to injure a person in his trade, occupation, or business.

Words that charge some delinquency in connection with a person's business are considered actionable per se. "Actionable per se" means the statement by itself without proof of special damages. Words that are not actionable per se require proof of special damages actually sustained before recovery can be had. **LIBEL** is the written word. Libelous words are those falling into the four areas noted above for slander plus any statements that hold a person up to ridicule, contempt, shame, disgrace, or obloquy, degrade him in the minds of right thinking members of society, deprive him of the society with friends and other persons, or which create generally, an evil opinion of him in the minds of the public.

Libel is more comprehensive and more damaging, say the courts, because the written word is permanent, capable of greater dissemination through the written word and press, and more deliberate in character. Best defense against slander or libel: Tell the truth.

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To handle those hot, tough jobs nothing equals Surety Silvertex Gloves for longer wear and lower cost. Superior Silvertex coating reflects heat and affords better protection against most industrial chemicals than rubber and standard synthetics. Their curved finger design and wing thumb construction cuts wear and gives greater comfort. And they won't crack or peel—remaining soft and pliable for the life of the glove.

Available in gauntlet, knit wrist, band top and safety cuff styles, all in jumbo sizes and with or without ventilated backs. For a free test pair write on your letterhead, outlining your job requirements. We'll send them to you by return mail.

THE SURETY RUBBER CO.
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Libel and Slander Laws

libel is just as guilty as the original publisher.

Statements that, "so-and-so says" or, "I have it from a reliable source that"—or other such prefix to a defamatory statement, is not a defense.

3. Make sure, at least, that you have qualified privilege as a defense, even if the facts are not true, by . . .

A. Acting in good faith with reasonable grounds for your belief;
B. Giving the information only to those persons who have an interest in the information sought; and . . .

C. By avoiding malicious gossip, the seeds of which can and may very well be laid by ambitious and unscrupulous competitors.

What about a written statement made by a purchasing agent di-

rectly to a vendor? Suppose such a statement inadvertently carries a libelous content?

In this case the P.A. has not told a third party about the vendor. Could damages still be claimed by the vendor?

Here's what the law says:

Defamatory statements are not actionable unless they are published—made known to the public or to third persons.

A letter addressed to and received by Mr. X containing defamatory statements concerning Mr. X is not actionable because

the statements were not published to any third person.

Suppose a P.A. makes a statement directed at a "group" or "class" of vendors? Is he safe if he uses the terms, "a few of," or "some of?"

A statement by a P.A. in this category might be one made concerning his suspicion, or belief, that a group of vendors is practicing price collusion.

Here's what the law says about possible defamatory statements covering groups:

1. If the group or class is so

definite and certain that it can be said that the accusation was leveled at individuals rather than the general run of men, then each of the individuals may sue.

2. Where the group or class libeled is large, none can sue even though the language used is inclusive—such as, all general line industrial distributors practice price collusion.

3. Where the group or class is small, and each and every member is referred to, then any individual can sue.

4. A problem arises when either some or less than all of a small group are designated. Some courts say that no cause of action exists in the individual or group, other courts allow such action.

What about damages? Is there one kind, or several? There are three types of damages:

1. **Compensatory.** These damages are awarded for the hurt inflicted mentally and socially without proof of actual damage. The amount of compensatory damages for unjustified defamation can be nominal or devastating in amount, and the plaintiff is always sure of some amount.

2. **Special.** These damages are awarded for actual damage sustained, and may include loss of business or other established proof of financial loss.

3. **Punitive.** These damages are awarded to punish the individual for actual or express malice. Damages are generally heavy.

Auto, Truck Men Get New Service

Pittsburgh—Auto and truck fleet buyers are being offered a new type of service to handle purchasing and disposal of vehicles, embodying changing economic and tax considerations.

Lease Motor Vehicle Co. has established a new Motor Vehicle Management Division aimed at eliminating many of the problems confronting industrial and commercial companies operating fleet vehicles used by salesmen, deliverymen, and others.

The management service, according to W. I. Newstetter, executive vice president of Lease Motor Vehicle, differs from leasing operations in that it permits the customer to retain full title to the cars and trucks.

Both fleet leasing and fleet management plans have specific individual benefits, he pointed out. The principal factors that determine which plan is better are the strength of a company's current cash position and the interest rates on money.

Cites Potential Advantages

To illustrate the potential advantages in the management plan, under which an auto or truck is purchased for the user at wholesale prices in the locality where it will be used and serviced, Newstetter cited this example:

If a company paid \$2,400 for a new car at wholesale prices, used it for two years and depreciated the cost on a schedule of $\frac{1}{36}$ th per month, \$1,600 would be written off in 24 months.

Then, if the used car was sold for \$1,100, the company would have a gain of \$300, taxable under the Capital Gains provision at only 25% instead of 52%. The company also could deduct operating and maintenance expenses and the service fees.

Should the company's cash position change or interest rates decline, the leasing firm official said it is a simple matter to switch from the company-ownership program to the leasing plan.

In addition to purchasing and disposing of autos, the new service also offers its clients a technical consulting service to improve efficiency in the operation of fleets. The service includes surveys and recommendations on maintenance programs, expense controls, and fleet replacement scheduling.

Aids to busy P/A's

1. a map that shows all points from which shipments may come to you on direct, single-line service through Roadway
2. a Shippers' Dictionary with a glossary of traffic terminology in common usage
3. customized shipping information to suit your specific requirements
and . . . just for fun . . .
4. "Roadway Patrol" . . a highway game the children love, and grownups always share



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ON EVERY P/O
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ROADWAY EXPRESS, INC. • 147 PARK STREET • AKRON, OHIO

Please send me:

- ___ Roadway point map from my location
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- ___ Information on service, rates, insurance, etc., to my location
- ___ Roadway's "Patrol" highway game

NAME _____
ADDRESS _____
CITY & STATE _____
COMPANY _____



Something New

THIS will be the last appearance—on a regular basis—of an editorial on this page.

The reason is simple, but important:

• A business publication, such as this, should have one overriding aim, and that is to **provide an intelligence service to its audience**. The more you know about your economic and professional environment, the better your grasp of your job. You pay us to provide this intelligence, expect it to be complete and accurate, so that's what we are bound to deliver—or else.

• True, editorials may contribute substantially to your knowledge when they guide you to some point of view or help sharpen your focus. But if they pay more homage to the clock or the printer than to readers, their value is lost.

• So we'll continue to write editorials—when editorials serve a purpose. But we'll do it only at those times (and lengths) when judgment dictates it.

Meantime, getting back to the basic concept of a published intelligence service:

First, there's been a change in your position in the scheme of things. Today most self-respecting companies consider the purchasing function an important part of general management (those companies that still are on the fence will jump the right way soon enough).

Now flip the coin. **If you're part of general management, it behooves you to know that area—to think and act that way.**

So will we. In this space hereafter will appear a special department called "management memos," gathered by our editors, field staff, and the resources of the McGraw-Hill Publishing Co. You may have seen its early versions elsewhere in these pages. The department essentially is exactly what its name implies—a carefully-screened compilation of sharp, provocative pointers intended to give you another "edge." In its newer, expanded form it will sift incisive clues to the latest in management trends.

Look for it in the next (Nov. 16) issue.

Also in PURCHASING WEEK, beginning with this issue (page 25), you'll find a **brand new monthly feature giving the resale (auction) prices of machinery and equipment.**

In the 30-odd tasks performed by purchasing executives, as George W. Aljian lists them in his monumental "Purchasing Handbook," sale of used equipment is an important one. More than that. The purchasing man sometimes is called upon to **buy** such equipment if it looks like a bargain. But in any event, a knowledge of going prices, as set in the auction marts, is another key tool in the P.A.'s kit.

Since this information has been available only sporadically heretofore—if at all—PURCHASING WEEK is undertaking to compile it each month on as broad a scale as possible, together with notes on price trends, plus news of coming auctions.

It's another facet of better intelligence.

Your Follow-Up File

The Subcontracting Problem

White Plains, N. Y.

I have a question for you:

How do you prevent a supplier from subcontracting part or all of your order to another manufacturer without your knowledge or approval?

For example, the ABC Co. has been established as a supplier for a part or assembly and has been furnishing them satisfactorily for over a year. When it receives the current order, it finds the shop is temporarily overloaded and so farms it out to a friend.

This friend is not one of our approved sources of supply. The ABC Co. supervises production in the friend's shop, and when the parts are shipped by the ABC Co., they are accepted and approved. Subsequently, the friend makes another attempt to become one of our regular vendors and uses this situation as an explanation that he can do acceptable work.

In defending its activity, ABC Co. claims it shouldn't make any difference to us because it was responsible for the parts we received.

I would be interested to learn how others control this situation—if they do.

H. S. Sheriff

Assistant for Purchasing
General Products Division I.B.M.

• We would like to get your views on this. Just address your comments to the Editor, Purchasing Week 330 West 42 St., New York, N. Y.

Ample Supplies in Most Sizes

Port Chester, N. Y.

An article in the Oct. 19 issue was incorrect in stating that RB&W would be operating on a spot basis through at least part of November (P.W., "Nuts and Bolts Makers Feel Sharp Steel Pinch," p. 48).

RB&W has ample stocks of raw material in most sizes to run through November and well into December. It

also has ample stocks of finished goods in most sizes approximating 19,000 tons on hand plus over 17,000 tons of raw material in our plants.

William E. Ward

President

Russell, Burdsall & Ward Bolt & Nut Co.

Smoke's a Natural Defense

We are always happy to receive carbons of letters. Our story on the "bee" problem at Refined Syrup & Sugars, Inc.'s refinery, Yonkers, N. Y., prompted the following letter. From June through September it is plagued by thousands of bees, attracted by syrup spillage (its liquid sugar is loaded outdoors from pipes into tank trucks and tank cars). We thought you, too, would be interested in this proposed solution.

—The Editor

Monticello, Utah

With regard to your "sticky problem" mentioned in the June 8 issue of PURCHASING WEEK, one probable solution is to house the tank truck loading area and install a fume hood and suction fan immediately above the tank truck being loaded with the outlet in the immediate vicinity of the plant smoke stacks.

This seems to be a reasonable solution due to the fact that the "Flo-Sweet" scent is held inside until it is transported to an ever present smoke area, the smoke area being a natural defense against any bee. The cost for this installation is nominal.

Jessee S. Eastin

Senior Accountant

National Lead Co. Inc.

Monticello Plant

Who Makes the Conveyor?

St. Louis, Mo.

On page 1 of your Oct. 26 issue there is a picture depicting a conveyor for moving files of paper from desk to desk ("1959's Baffling Business show: Rambler Is in, I.B.M. Isn't").

We are interested in this product and would appreciate learning the manufacturer's name.

Eugene P. Hazlewood

Manager of Purchasing

Christian Board of Publication

• Alden Systems Co., Westboro, Mass. See our New Products section, Nov. 2 issue, page 14, for more details on this paper conveyor.

Demand Up, Supply Down

Minneapolis, Minn.

I would like six copies, if available, of the article "Here's How You Can Function More Effectively," Oct. 12, '59, page 18.

E. J. Brown

Director of purchasing

Thermo King Corp.

• Sorry, our tear sheet supply has been exhausted.

To Our Readers

This is your column. Write on any subject you think will interest purchasing executives. While your letters should be signed, if you prefer we'll publish them anonymously.

Send your letters to: "Your Follow-Up File," PURCHASING WEEK, 330 West 42nd St., New York 36, N. Y.

Purchasing Week

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Vol. 2, No. 45

November 9, 1959

PURCHASING WEEK is published weekly by the McGraw-Hill Publishing Co., Inc., James H. McGraw (1860-1948), Founder. Publication Office, 99-129 North Broadway, Albany 1, N. Y. See panel below for directions regarding subscriptions or change of address.

EXECUTIVE, EDITORIAL, CIRCULATION AND ADVERTISING OFFICES: 330 West 42nd St., New York 36, N. Y. Donald C. McGraw, President; Joseph A. Gerardi, Executive Vice President; L. Keith Goodrich, Vice President and Treasurer; John J. Cooke, Secretary; Officers of the Publications Division: Nelson L. Bond, President; Harry L. Waddell, Senior Vice President; John R. Callahan, Vice President and Editorial Director; Joseph H. Allen, Vice President and Director of Advertising Sales; A. R. Venezian, Vice President and Circulation Coordinator.

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PURCHASING WEEK Asks You . . .

Should stores and purchasing be combined under one administration?



G. G. Strehlow, purchasing agent, Allen Industries, Inc., Fort Wayne, Ind.:

"Since economy is necessary in the successful operation of a plant, their combination under one administration has numerous advantages. The elimination of one department head is a cost savings. It will prevent possible misunderstandings or differences of opinion that can develop between two departments. Since both are directly related, purchasing could easily control them and most likely eliminate some paper work, as well as expediting directly rather than through a stores department head. Purchasing is better qualified to control both."



R. I. Condon, purchasing manager, Twin Coach Co., Buffalo, N. Y.:

"Generally speaking, stores reports either to purchasing or production management. Having operated under both systems I have found no difference in performance, provided the administration is equally efficient and cost conscious. I believe pre-written disbursement requisitions are very desirable in either instance to insure good stock control. When administered by production department, one situation that must be watched is the tendency to by-pass controls on stock disbursements and records to 'keep production going' at any cost."



Tracy Baxter, purchasing agent, Niagara Chemical Division, Food Machinery & Chemical Corp., Middleport, N. Y.:

"Yes—because in my opinion, in most companies it is only through the cooperation of these two functions that a company can realize the savings that are possible under and through one administrator. There is a certain amount of the stores function that embraces the purchasing function; unless these functions are under one head, it would be difficult to synchronize them into a smooth running and cost-saving operation."



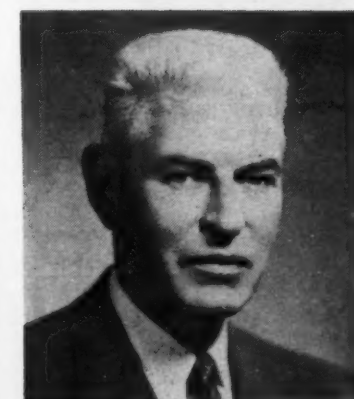
R. D. Crane, assistant director of purchases, Dresser Industries, Inc., Dallas:

"Generally, I would say 'no.' The administration of both functions requires so much attention that one or the other is bound to suffer. In many public utilities the superintendent of stores ranks equally with the purchasing agent. Railroads frequently combine the two, but they have scattered operations and moving material from one to another location is employed instead of purchasing. In manufacturing where receiving comes under stores, you place the P. A. in the position of checking his own work which is contrary to good auditing practice."



P. P. Averill, purchasing agent, Warner & Swasey Co., Cleveland:

"A flexible inventory and stores control in the light of changing market conditions and fluctuating prices can best be administered under one head. The two functions are closely allied and dependent on each other; they should not be separated. However, the importance of combining the two functions increases as the ratio of the purchase dollar to the sales dollar increases. In the high ratio companies, the performance of these two operations directly affects the profits of the company."



R. M. Mills, purchasing agent, American Electric Power Service Corp., New York:

"Yes. We believe that joint administration of stores and purchasing furthers the modern concept of materials management. These two functions are so closely allied that it is almost impossible to operate effectively with divided administration."

In the World of Sales

Ray A. Davies has been promoted to sales manager, **Chester Hoist Division, National Screw & Mfg. Co.,** Lisbon, Ohio. He succeeds **Raymond C. Blair** who retired recently.

Emanuel M. Siegel, director of contract sales, **Loral Electronics Corp.,** New York, has been elected vice president of sales by the firm.

Ralph D. Mount has been advanced to general sales manager, the **Bassick Co.,** Bridgeport, Conn., a division of **Stewart-Warner Corp.**

Eugene G. Hart, Chicago district sales manager of **H. H. Robertson Co.,** has been named vice president of sales for **International Research & Development Corp.,** Columbus, Ohio, a subsidiary. Hart will take over his new post Jan. 1.

William J. Pelich has joined **Denison Engineering Division, American Brake Shoe Co.,** Columbus, Ohio as sales manager. He succeeds **Robert Krepps** who has been made manager of marine and

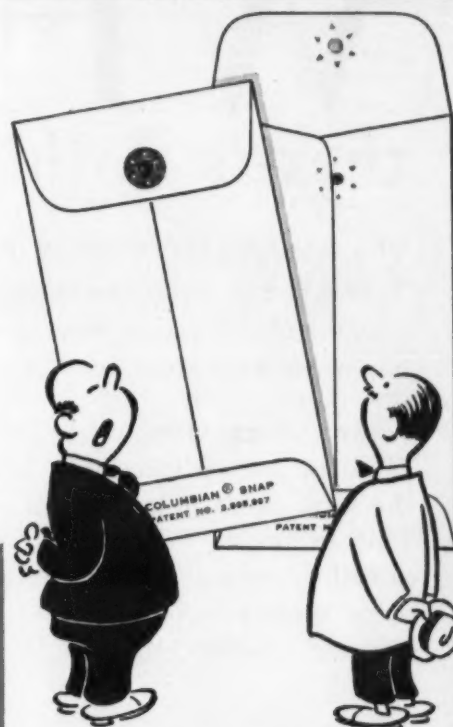
military sales, a new post. Pelich had been with **Griswold-Eshleman**, a Cleveland advertising agency.

Melvin Kutchin has taken the post of sales manager with **New England Instrument Co.** of Waltham, Mass., and Woonsocket, R. I. He had been Eastern sales manager for **Reeves Instrument Corp.,** New York.

George W. McGinley has joined **Stromberg-Carlson**, a division of **General Dynamics Corp.,** Rochester, N. Y. as sales manager. McGinley had been with **Union Switch & Signal Division** of **Westinghouse Airbrake Co.,** Pittsburgh.

S. Cecil Appleby has moved up from assistant general sales manager to general sales manager, **Cullom & Gertner Co.,** Nashville, Tenn.

William F. Peters has rejoined **Anemostat Corp. of America**, New York, as general sales manager, after serving as New York branch manager for **American Air Filter Co.**



"That's right, George— it's an envelope made with a snap fastener."

Just lift the flap: "Click" — it's open! Now press the flap down: "Snap" — it's locked! You can do this over and over again . . . the snap fastener has a long and useful life!

How useful? For manufacturers of such things as drills, reamers and other small tools it's a natural. Such packaging woos dealers because it simplifies their problems in retailing a variety of small products.

There are countless other uses. For example, companies use the larger sizes to carry memos around the office. Contents are locked safely inside the envelopes while they travel from desk to desk. And the envelopes last a long time.

You'll find these **Columbian Snap Fastener Envelopes** to be only one of the many ideas for speeding operations, promoting efficiency and economy represented in the 70 envelope styles shown in the **U.S.E. Envelope Selector Chart**. To get a copy, free, just pin this ad to your letterhead and mail to Advertising and Sales Promotion Department.

U.S.E. makes more envelopes for more people to use in more ways than any other manufacturer in the world. Also Paper Cups, Transparent Containers and Lineweave Quality Papers and Envelopes.

UNITED STATES ENVELOPE

COMPANY



Springfield 2
Massachusetts

Divisions from Coast to Coast

**MEMO to
PURCHASING
EXECUTIVES**

You can use this envelope because it can be fastened and unfastened -- over and over and over again!

Other departments in your company may have uses for it, too. Sizes to suit.

U. S. E.

Would you like to receive a sample? — and a copy of our Envelope Selector Chart? It's a great time-saver. Clip this ad to your letterhead and let us have your name. No obligation—it's a pleasure!

This advertisement appears in **BUSINESS WEEK** November 7, 1959

THE OFFICE
November 1959

Workshop P.A.'s Analyze Managerial Abilities

Chicago—Some 100 shirt-sleeved Chicago P.A.'s sought to self-analyze their managerial abilities recently.

The session was part of a two-day Purchasing Workshop at the Illinois Institute of Technology Oct. 20-21, co-sponsored by I.I.T. and the Purchasing Agents Association of Chicago.

Prof. I. V. Fine, who teaches marketing and purchasing at the University of Wisconsin, had his work cut out for him as discussion leader. To such questions as "Should you tell an understudy of your future plans for him?" and "What if the understudy reaches the promotable stage, but no managerial job is open?" Fine replied:

"The understudy who wants to know what's in store for him might be given a general idea of the company's plans, but not specific details.

"The subordinate who should be promoted but for whom no opening exists, might be given a newly-created job with adequate responsibility, if the company wants to keep him badly enough; but probably the best solution is to train him for more than one job."

Intellectual Confidence Needed

Fine stressed the necessity for the purchasing manager to have the kind of "intellectual confidence" that enables him to make decisions and stick.

"Without this trait of decisiveness," he explained, "the P.A. can't expect to go very far up the management ladder. And unless he shows signs of it—and three other important traits—by the time he's in his 30's, chances are he won't develop them."

He listed the other traits important for the manager as emotional stability that enables him to keep personal feelings out of business; skill in human relations, and an insight into human behavior.

To assist the purchasing men in their "self-analysis," the professor explained that while it is difficult to measure managerial ability, there are certain "danger signs" to watch for, such as:

- Making snap judgments. This indicates that the person making the quick judgment allowed work to pile up, which in turn indicates the possibility that he could not delegate work.

- An exodus of subordinates from the company. If too many good young men are leaving, it could mean they were not given adequate responsibility.

- Too many staff assistants. If a top executive has more than three staff assistants, it might mean something is wrong.

- Desk piled too high with work. This could indicate inability to get work done.

Fine stressed that training understudies probably should involve training for more than one job—such as either purchasing agent or traffic manager. This will allow more flexibility in the choice of a young man for advancement when managerial jobs open up, and not leave the P.A. dependent upon one person who might leave the firm.

In evaluating a company's management development, the professor told the purchasing men to ask themselves:

1. Does everybody concerned

know and understand the purpose of your management development program?

2. Does the individual who is in charge of the program know what it's all about and is he behind it?

3. Does everyone who is promotable have an equal opportunity for development—meaning there should be no "fair-haired boys."

4. Do you have an appraisal program that enables you at intervals to find out how things are going?

5. Does the program have breadth as well as depth—getting beyond the immediate confines of jobs?

6. Is the program flexible, so that it can change with new policies, changes in other business functions?

In summation, Fine said management development necessitates determining requirements for the jobs that will need to be filled, evaluating the various techniques for training, finding out which is best suited, and then evaluating training results.



THESE PURCHASING AGENTS are taking advantage of a 10-minute break during seminar to discuss list of managerial "danger signs."

WHO SAYS

there's nothing new in Socket Set Screws!

The revolutionary P-K **W-POINT** Socket Set Screw is not only new—completely new—it is capable of delivering the highest degree of holding power ever attained... at no increase in price!

What's the difference between the new P-K W-Point and ordinary cup point set screws? It's the new pivot point that's built into the cup! This exclusive P-K feature reduces "wobble" caused by the required tolerance clearances between screw threads and the tapped hole... minimizes "tipping" motion imparted by key tightening...

creates tracking which is uniformly even in depth and shape... results in frictional engagement of both cup edge flanks... provides:

30% more back-out torque

50% more resistance to vibration

50% more resistance to rotary slippage

Test this new socket set screw in your own plant. Ask your P-K Industrial Distributor for complete information and samples today, or write to P-K direct for technical bulletin No. 1106.

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Japan's Trade Mission Tours U.S., Stumps for Further Mutual Trade

Group Chairman Okamatsu Claims Diversification Of Industrial Products Japan Will Ship Abroad

New York—The Second Japanese Trade Mission currently is touring the United States in an effort to trigger further expansion of trade between the two countries.

The mission, comprised of Japanese government and industry officials, also is studying American business and merchandising methods.

Seitaru Okamatsu, chairman of the group and president of Chi-yoda Kogyo Co., Ltd., Tokyo, pointed out that Japan had increased its foreign currency budget by \$387 million this year with a view toward diversifying and increasing the number of industrial products it will ship abroad.

"But," he added, "now that U. S.-Japanese trade is balanced for the first time in 13 years, we realize if we want the American people to buy from Japan, we must buy more from you."

"Therefore," he went on, "we will study what goods Japan must buy from the United States."

The Tokyo businessman expressed concern over protectionist talk in this country, adding that U. S. tariff curbs on Japanese imports might revive pressures in his country for trade with Communist China.

He said any cutback in Japan's share of revenues from the U. S. offshore procurement program

would have a serious effect on Japan.

The tour already has taken the group to San Francisco, Washington, New York, Chicago, Detroit, and St. Louis. They will visit New Orleans, Houston, and Dallas this week, and go on to Los Angeles and Honolulu before returning to Tokyo Nov. 24.

Westinghouse Erects New Transformer Plant

Muncie, Ind. — Construction started last week on Westinghouse Electric Corp.'s 600,000-sq. ft. power transformer plant on a 300-acre site south of here.

The new plant, "representing the largest single expenditure ever undertaken by Westinghouse," is being built to meet the increased volume of transformer business, which Westinghouse expects will double in the next ten years.

Westinghouse says 60 planning specialists took over three years to design the multi-million-

dollar project, which will embody such new features as:

- A 900-ft. assembly line equipped with cranes capable of handling oil-filled transformers. Formerly, the big power units were filled with oil for initial testing, emptied for transfer to sound and corona test room for refilling and testing. Then oil was again drained for shipping.

- Sound-level and corona test room that can measure power loss, temperature, and impulses on 600-ton units over 600 kv.

- Automated tank-fabrication

via punched tapes which control steel-plate machining operation. Plates are then spliced on special welding manipulator which automatically aligns and welds seams to form 35-foot tank wall panels.

Russell Stark Honored

Indianapolis, Ind.—Russell T. Stark, Burroughs Corp. director of purchases, has been named recipient of the Indianapolis Purchasing Agents Association's 1959 Homer Hauger memorial award.



New SPRINGHILL® BOND is actually whiter than clean white salt

—YET COSTS NO MORE THAN "OFF-WHITE" BONDS!

EVERYBODY

BUYS

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at competitive prices. Everybody wants accurate stampings. People have been coming back to ETASCO for over 35 years for just these reasons.

YOUR BLUEPRINTS to ETASCO for a quotation will show you what we mean—and you won't be obligated.

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EASTERN TOOL & STAMPING CO., INC.
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—where America's first successful ironworks is located

WHEN YOU FIRST see new Springhill Bond, you sense your eyes are playing tricks on you. It's so *clean white*! Then you hold a sheet to the light and you're really amazed. No watermark!

The truth is, new Springhill Bond is *measurably whiter* than salt, chalk, even surgical cotton. Actually whiter than any other unwatermarked bond paper on the market.

It's level and uniform, too. And crisp. Just try to pick up a sheet without making a crackling noise!

New Springhill Bond, Mimeograph and Duplicator are made to order for small offset duplicating presses. Every ream-wrapped package comes with a handy pull-tape opener.

The new Springhill business papers are part of International Paper's new *first family of fine papers* packaged this convenient way. They include famous Ticonderoga Offset, Ticonderoga Text, International Ti-Opake, and Springhill Tag, Index and Vellum-Bristol. Ask your paper merchant to show you samples.



Springhill Bond comes in pull-tape junior cartons—polyethylene-lined to control humidity.

Fine Paper Division **INTERNATIONAL PAPER** New York 17, N. Y.

Better Pay Attention To...

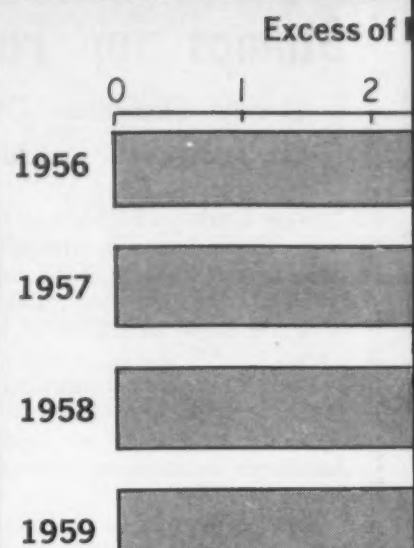
The Changing Trade Pattern

For It Can Affect...

- Price of Goods You Purchase
- Your Sources of Supply
- Your Production Schedules

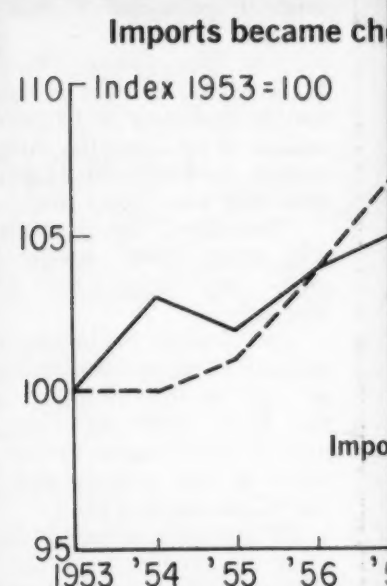
How It's Changing

Export-Import



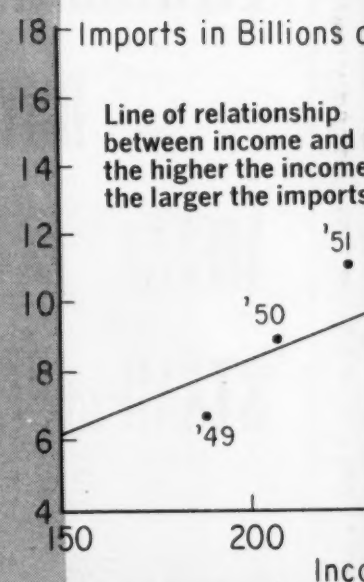
Why It's Changing

Becoming



What's Ahead

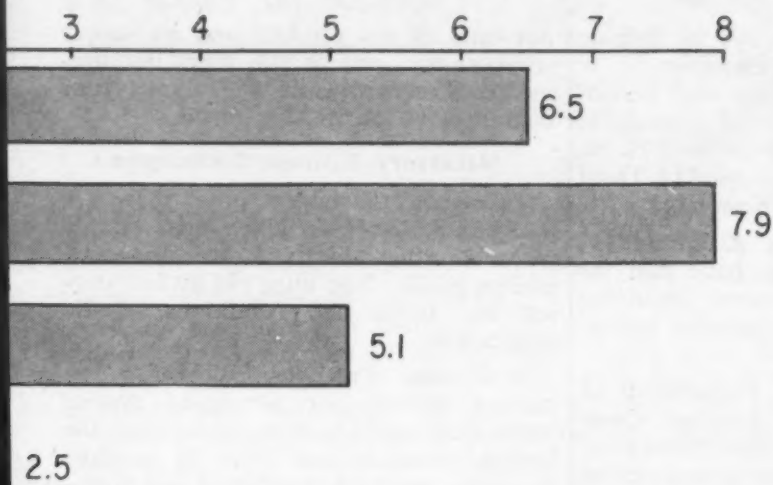
In Income



What It Means to You

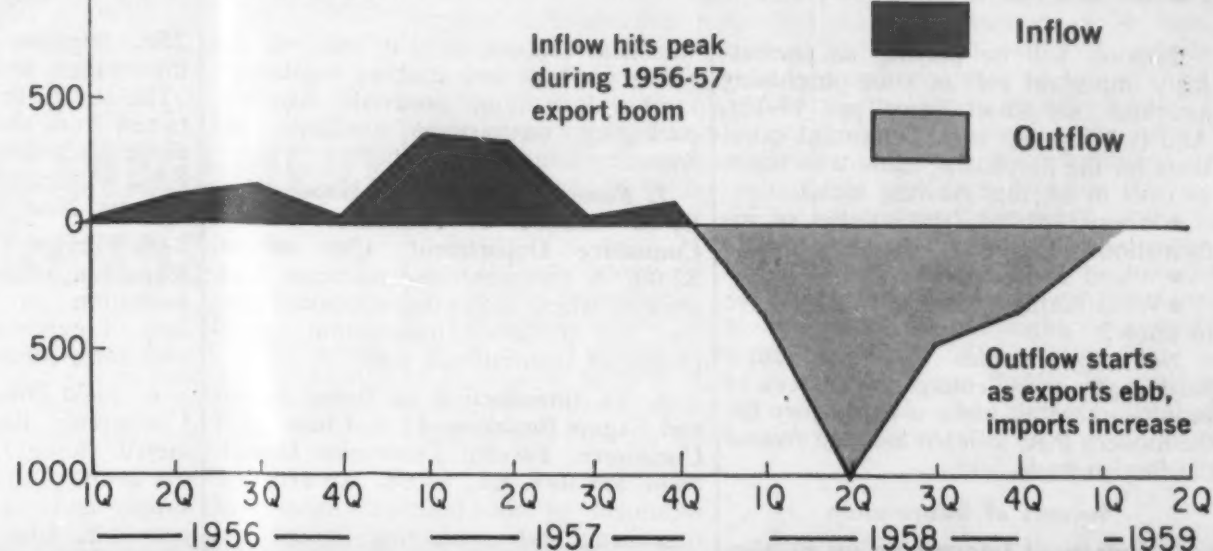
Port Gap has Narrowed

Exports over Imports (Billions of Dollars)

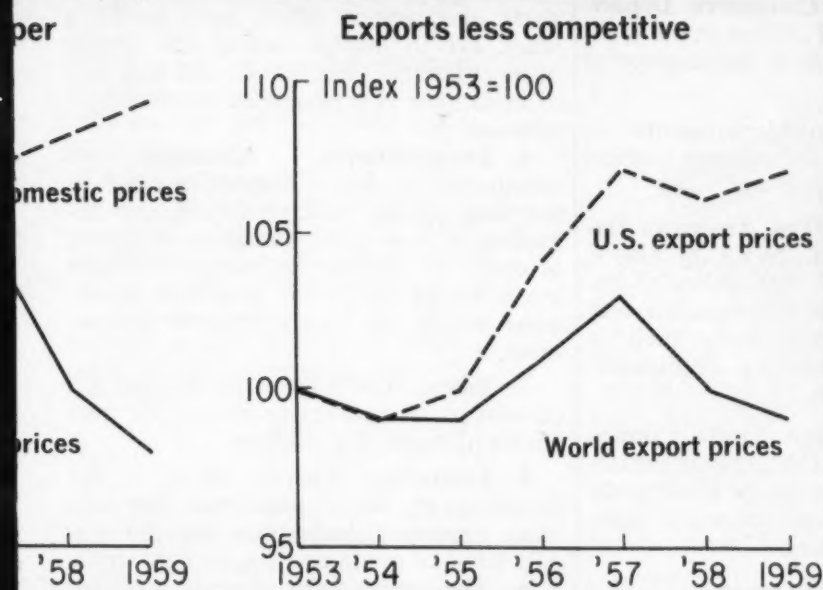


And Gold Has Fled

Millions of Dollars



Use of Price And...



Reduced Dependency on U. S.

Improved world output of crude and semi-finished products has reduced dependency on U.S.

That's why between 1957 and 1958.....

U.S. crude food and material exports dropped 23%

U.S. semi-finished product exports slipped 30%

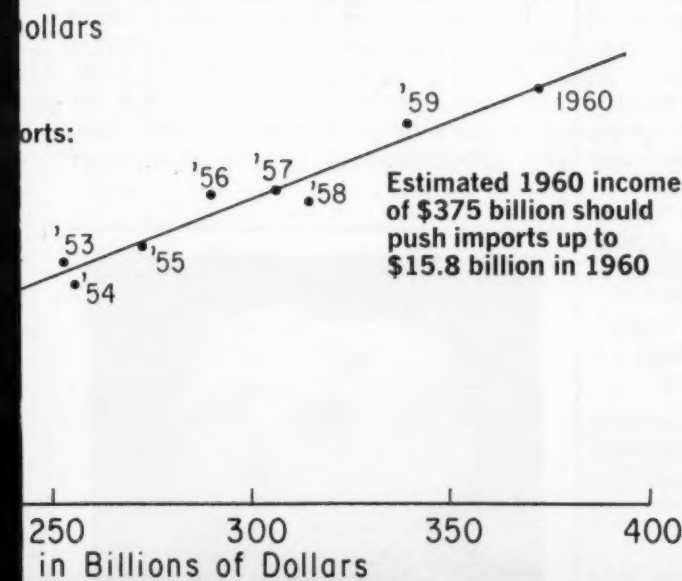
While better-maintained finished items eased only 7%

23%

30%

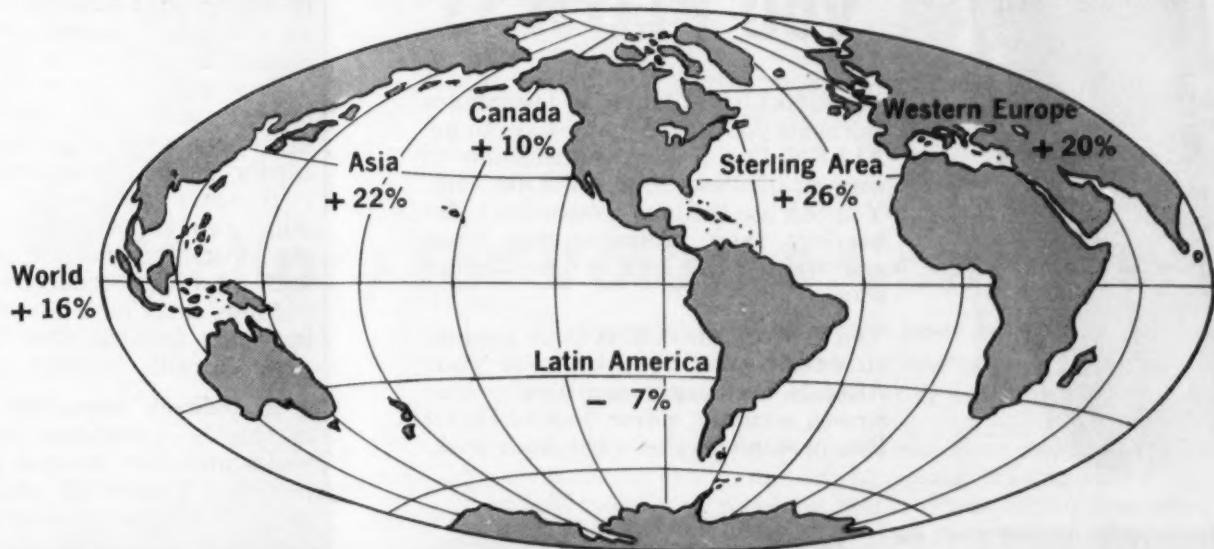
7%

Imports - A rise



In Exports - A rise

Because our customers have amassed big gold and dollar reserves since end of 1957.



You'll have to bone up on:

- Sources of Foreign Trade Information
 - International Prices and Trends
 - World Sources of Supply
 - Direct Importing
 - Import Merchants
 - Import Commission Houses
 - Import Brokers
 - Tariffs and Quotas
 - International Credit Techniques
 - Currency Exchange
 - Foreign Practices and Rules
 - Special Packing and Transportation Problems
 - Procurement for Foreign Subsidiaries
- (Now, for more details, turn the page)

Where and How to Get Foreign Trade Data

Imports will be playing an increasingly important role in your purchasing activities (see Chart Story, pp. 14-15). And it brings up some important questions for the purchasing agent who wants to cash in on this growing trend.

• Where are the best sources of information?

• Whom do I contact?

• What business techniques do I have to know?

New opportunities for better buys, hard-to-get items, emergency sources of supply—these all make it mandatory for the modern P.A. to learn his way around the foreign trade field.

Sources of Information

1. Sources of Information on Foreign Trade Practice—U. S. Department of Commerce, 1959, 25¢. Besides listing general coverage such as books on foreign trade, analyses of foreign markets,

statistical reports, etc., it will tell you where you can find customs regulations, tariff information, materials handling, packaging, commercial standards, and financing foreign transactions.

2. Foreign Commerce Handbook—U. S. Chamber of Commerce, Foreign Commerce Department, 13th edition, \$2.00. A comprehensive reference book showing where to get organizational services and published information on all phases of international trade.

3. An Introduction to Doing Import and Export Business—U. S. Chamber of Commerce, Foreign Commerce Department, 5th Rev. Ed., \$2.00. An excellent treatment of the practical aspects of organizing and conducting import and export programs.

4. A Guide to Foreign Information Sources—U. S. Chamber of Commerce, Foreign Commerce Department, 1959,

25¢. Suggests various ways of gaining information about other countries.

The last three publications may be obtained from the Chamber of Commerce of the United States at either 1615 H. St. NW, Washington 6, D. C. or 711 Third Avenue, New York 17, New York.

5. Foreign Consulates & Trade Information officers. They have full information on manufacturers including lists of exporters with financial ratings and items produced.

6. Field Offices U. S. Department of Commerce, Bureau of Foreign Commerce. Some 33 field offices throughout the country assist in locating sources of supply and suppliers' names in foreign countries. Lists of manufacturers, many types of exporting middlemen, and special listings are available. Issues Foreign Commerce Weekly (\$5 a yr.).

7. Field Offices U. S. Chamber of Commerce, Foreign Commerce Department. About 100 field officers in the U. S. provide services similar to Department of Commerce.

8. Banks. Foreign departments of many U. S. banks are information sources on credit rating of suppliers.

9. National Council of American Importers (45 E. 17th St., N.Y.C.). This is the principal national association of importers in the U. S. It is concerned with developments in import trade such as trade agreements, financing, transportation and insurance.

10. National Foreign Trade Council (111 Broadway, N.Y.C.). This organization works toward solution of trade problems. It makes surveys, provides trade information for members.

Whom to Contact

The P.A. can import directly from the foreign manufacturer or his sales agency, or he can buy indirectly through any one of an organization of middlemen.

1. Direct Importing. If you are going to buy in large quantity, or intend to set up a regular schedule of repetitive purchases, it may pay you to import directly. This would cut out or lower the middleman fee and would offer the advantages of close contact with your supplier and cutting the laid-down cost of goods.

However, you would want to set up your own import department to handle the operation and the details involved with import procedure.

Many firms have found direct importing more feasible after first getting experience with indirect purchasing.

2. Indirect Importing. The services of highly knowledgeable, experienced middlemen are utilized in indirect importing. You would deal with one or more of the three following types:

A. The Import Merchant. This man is usually a specialist in one product or a group of related products. He buys from several foreign countries, stocks his own goods, makes his own prices, and delivers and bills directly. He can generally offer a wide showcase of the items you are interested in, and his special knowledge and contacts can work to your advantage.

B. The Import Commission House. This type of concern functions usually as an agent for foreign exporters, selling their goods in this country and charging them a commission. It may receive their goods on consignment or arrange delivery after the sale is made. It brings you close to the manufacturer, sometimes making possible special terms or even product alterations.

C. The Import Broker. This intermediary seldom handles the merchandise. Generally, he is a specialist in one commodity, with a thorough knowledge

not only of his product and its supply sources, but also of the users' requirements. Frequently, he will act as your own special purchasing agent.

Necessary Business Techniques

In placing the import order there are many considerations which arise simply from the fact that you are importing foreign goods. You must clarify for yourself the terms and conditions of the transaction.

1. Foreign Practices. If you're importing directly or arranging special terms then you'll want to understand the foreign practices and rules in weights, measures, marking, packaging and transportation details.

2. Foreign Specifications. You'll want your engineering department to translate your specifications in terms of the metric system used abroad.

3. Supply Reliability. Availability of parts and service which used to be a black eye to foreign buying has largely been corrected. But it will still pay you to investigate this area prior to entering a transaction.

4. Transportation. Allocation of transportation costs. Inspection prior to shipping, special packing for efficient unloading at your plant, designation of port of entry for pick-up by company trucks are some of the points you must determine within the bonds of trade restrictions.

5. Entry. You'll want to arrange for custom house brokers to clear your purchases through the customs.

6. Financing. Finally, there is the financing of the transaction. The two most important techniques are the import letter of credit and the straight draft.

A. The import letter of credit is drawn up by your bank in a specified amount in favor of a seller abroad. The seller obtains payment when the shipment is made. It is the cheapest method, and it also offers you the opportunity to obtain credit in financing the transaction.

B. The straight draft is useful where currency exchange may make payment in the U. S. an advantage. In this technique you specify in your order that the seller may draw on you at sight. The title papers pass to you on payment of this draft.

ALLEN

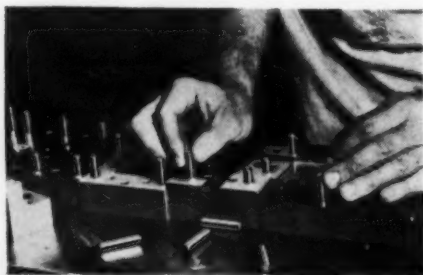


**ALLEN is
the dowel pin
that gives
you PLUSES!**

Your ALLEN Industrial Distributor can show you a good many ways to use ALLEN Dowel Pins, in addition to conventional uses in tool and die work. You can use them as economical roller bearings, axles, precision plugs, hinge and wrist pins—and in many other ways.

You can cut the cost of your product substantially, too—because your ALLEN Distributor can supply these strong, accurate, mirror-finished Dowel Pins in standard sizes right from stock.

Made of special Allenoy steel; surface hardened to 62-64 Rockwell C; precision ground to .0001" with micro-inch finish of 6 RMS max. Check your Allen Handbook or Catalog for detailed specs and standard sizes, or write direct for samples and technical information.



Genuine ALLEN products are available only through your ALLEN Distributor—he's always ready, willing and able to give you prompt, practical service.



**Purchase
for Profit!**

Specify Chicago Molded

Linear polyethylene replaces brass in this deep-well pump component injection molded by Chicago Molded for Red Jacket Manufacturing Co. By applying the right plastic material and molding method, CMPC solved a long-standing corrosion problem and improved pump efficiency. Cost—a fraction that of brass with finishing eliminated. By any measure of value analysis, this is *purchasing for profit!* Your part cost problems are our business—call, specify:

**CHICAGO MOLDED
PRODUCTS CORPORATION**
1029 North Kelmar, Chicago 51, Ill.

The Purchaser Vs. Cost of Labor

We have just reviewed a very curious situation.

A few months back (Jan. 19) PURCHASING WEEK published the findings of a survey of P.A.'s on their battle against rising costs. These hundreds of purchasing men listed as their "most effective anti-inflation weapons," the following: challenging of prices, more analysis, quantity ordering, materials substitution, special bidding techniques, special cost analysis with suppliers, and stepped-up cooperation with supply sources.

What About Labor Costs?

These are highly worthwhile "anti-inflation" measures. They are classic methods and techniques to control or reduce purchased material costs.

But . . . in another survey, (P.W., Feb. 2) 82.5% of the P.A. respondents mentioned "labor costs" as the prime cause of the inflation that they said they were battling.

Now here is the crux of the curious situation as we see it. . . . Referring back to the first survey we see the preponderance of anti-inflation weapons aimed at **material costs**. Yet (second survey) most P.A.'s believe **labor costs** to be the leading cause of inflation.

We do not debate the point that P.A.'s must make every effort to control, and even reduce, material costs. This is, and will undoubtedly continue to be, their big contribution to the profit-making potentials of the companies they serve. But it seems hard to swallow the implied idea the P.A.'s cannot also make a direct contribution to the labor cost control efforts of their companies.

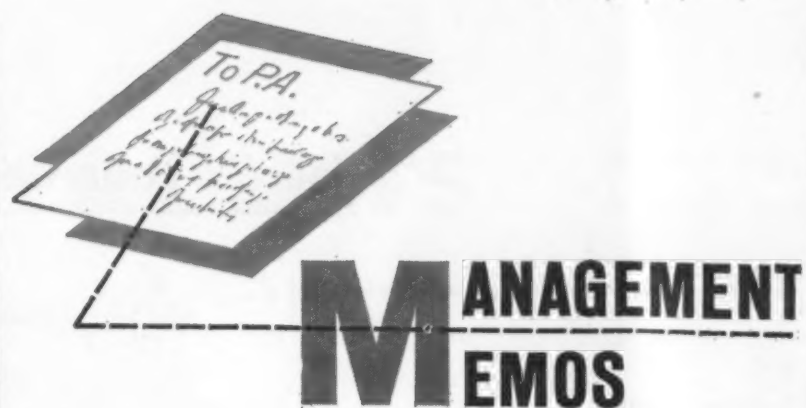
Checking in 'Depth'

So we put the question to a number of purchasing men in the form of so-called depth interviews. These men reassured us. Survey respondents, they contended, answered in terms of "leading" ways P.A.'s are coping with inflationary forces.

Old Weapons—New Target

Then our "depth" interviewees said that P.A.'s **can** make direct efforts against labor costs within the traditional scope of purchasing's functional limits. Two leading ways, according to these experts were: 1. more aggressive interest in make-or-buy considerations. Here, P.A.'s give a hard look at high unit labor-cost parts and components made in their companies, check to see if it can be bought at less cost from specialists in making such items, and recommend purchase or subcontract actions to management—where union contract and other considerations permit. 2. Increased initiative and participation in procurement recommendations for labor-saving capital equipment. Here, P.A.'s closely query equipment salesmen to uncover new labor-saving machines, accessories, or devices. They investigate, interest others in their companies, and recommend procurement of practical labor-saving equipment.

This idea of P.A.'s versus labor costs seems mighty important—especially at the present time. If any readers have found effective



measures along these lines, this corner would like to hear about them. We think your suggesting them, and our publishing them, could be a boost to the profession—or at least give courage to a number of lonely soul P.A.'s fighting the good fight.

P.A.'s Negotiate for Better Service

One of the more intriguing aspects of negotiation is in the non-financial area. A bit of a stir was created recently when a leading P.A. said, "negotiate terms of payment so that part of the price is withheld until the item is operating at guaranteed performance."

Apparently, some few P.A.'s think this is amoral, or unethical, or even unworkable.

The speaker went on to say, "It is always essential to withhold from 10 to 25% of the purchase price depending upon conditions until the item is operating

at or above the guaranteed rate, and for a minimum of 30 days. The amount withheld usually represents profit to the supplier, so the buyer is not putting a financial squeeze on the seller."

The raw psychology behind this type of negotiation that assures superior supplier service is seen in the story of the debtor who walked the floors at night worrying about repaying his loan. Suddenly, one night, he stopped walking. "The wrong man is walking the floor," he said to himself, and climbed into bed and went fast asleep.



See Mallory for Volume Controls—

- engineered to match your specs
- priced to match your budget
- delivered to match your schedules

For television . . . portable or auto radios . . . stereo and hi-fi . . . test equipment . . . military or commercial equipment . . . make Mallory your one-stop headquarters for volume controls. Our line includes carbon and wire-wound types in dozens of different standard models, into each of which can be engineered and built the modifications that your special requirements demand.

They're designed by people who know components and circuits from years of practical experience. They're made to industry-leading standards of precision and economy in our flexible, efficient manufacturing plant. And they're delivered promptly; schedule for standard controls and many modifications is about four weeks.

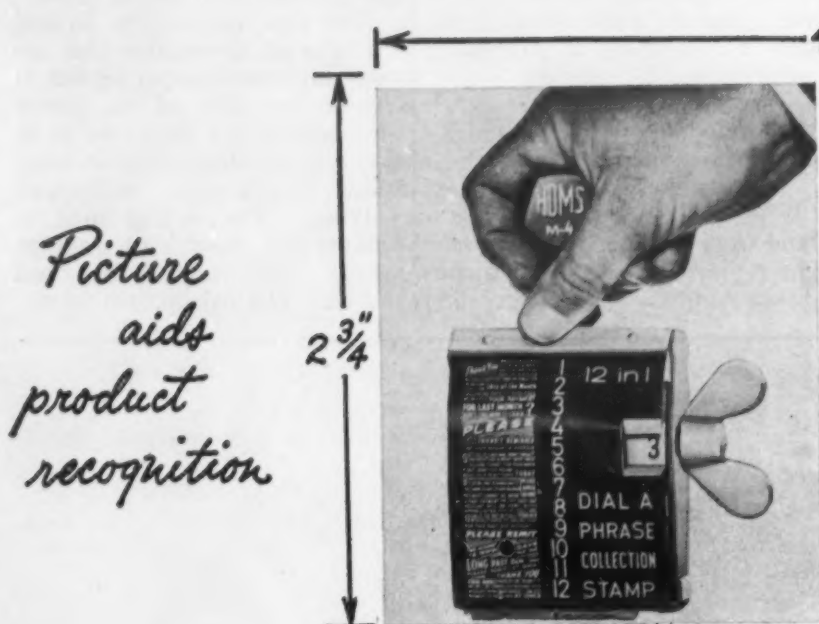
See your Mallory representative for a proposal on your specific applications.



Mallory Controls Company
Frankfort, Indiana
a division of

P. R. MALLORY & CO. Inc.
MALLORY

Here's your weekly guide to ...



*Picture
aids
product
recognition*

Rubber Stamp

For Payment Requests

Selector key is turned to desired phrase, placing it in stamping position. User has choice of 12 payment reminders to use on invoices or statements, varying from appreciation for the order to polite severity. Stamp eliminates stocking of paper stickers and is available for immediate use. Phrases are made of molded natural rubber, 2x5/8-in.

Price: \$8.95. Delivery: immediate.
Douglas Hons Co., 326 Jackson St.,
San Francisco 11, Calif. (P.W., 11/9/59)

*Size permits you to paste
on 3x5 card
Copy gives only pertinent
details, cuts your
reading
How much it costs and
how soon you can get it
You'll know when item
appeared*



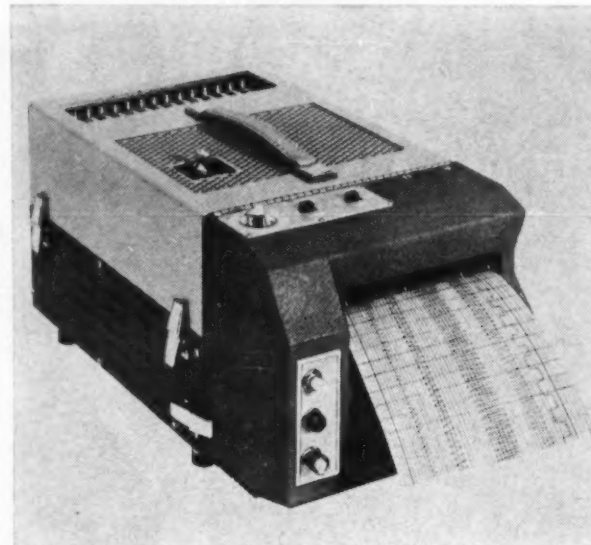
Duplicator

For Production Control

Simple controls enable operator to select and reproduce appropriate portions of cost or production control figures listed on master forms. Masters are inserted into machine and selected information is reproduced on factory or office forms.

Price: \$2,375. Delivery: immediate.

Block & Anderson (Canada) Ltd., 8400 Mountain Sights Ave., Montreal, Quebec. (P.W., 11/9/59)



Oscillograph

8 to 16 Tracings

Beams of light, powered by drive transmission, photographically record tracing of stress, pressure, or other laboratory phenomena. From 8 to 16 tracings can be made on 6-in. wide paper at recording speeds from 0.2 in. a min. to 60 in. a min. Exposed tracings need no developing.

Price: \$1,800 (base). Delivery: 30 to 60 days.

Midwestern Instruments, P. O. Box 7186, Tulsa, Okla. (P.W., 11/9/59)



Electric Drill

Weights 5 lb.

Lightweight unit (5 lb.) can drill holes up to 3/8 in. in steel or 3/4 in. in wood. Drill has 10-ft. extension cord with 3-prong connector and operates on 115 v. Trigger-type switch for on-off control has lock button on side of pistol grip handle.

Price: \$65. Delivery: immediate.

Porter Cable Machinery Co., 111 Seneca St., Syracuse 4, N. Y. (P.W., 11/9/59)



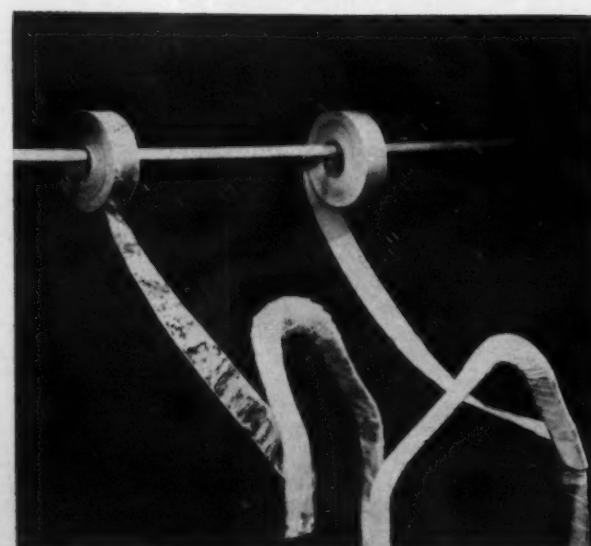
Time Clock

Eliminates Hand Audit

Clock prints time and code punches any card which contains non-standard working hours. All cards then run through auditing device at rate of 2,000 per hour. Device reads code and separates out all cards containing non-standard times.

Price: 500 (clock), \$900 (auditor). Delivery: March 1960.

The Cincinnati Time Recorder Co., 1733 Central Ave., Cincinnati 14, Ohio. (P.W., 11/9/59)



Insulating Tape

Dry Application

Designed for motor repair shops, flexibility and uniform thickness of tape (right in photo) lets it conform to motor coils in void-free layers. Does not require varnish or bake treatment after application. Dielectric strength 30% higher than mica paper tapes.

Price: \$2.45 a roll (1 in. x 36 yd.). Delivery: immediate.

General Electric Co., Schenectady 5, N. Y. (P.W., 11/9/50)



Dust Mask

Lightweight

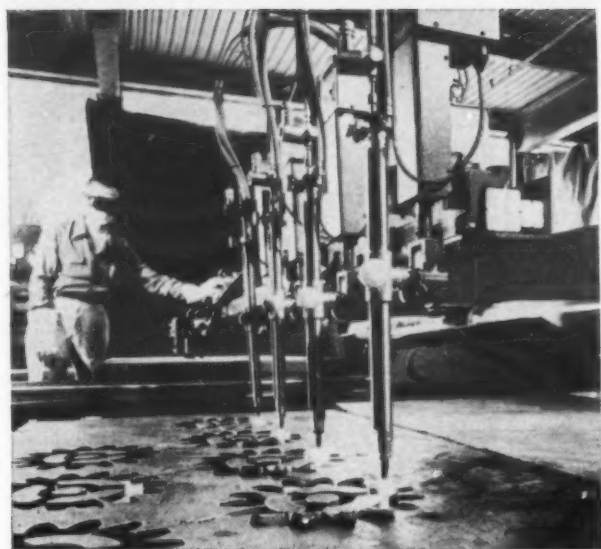
Mask is made up of one-piece urethane filter, plastic chasis housing 1 inhale and 2 exhale valves, and adjustable neckband. Weighs slightly more than 1 oz. and has soft rolled edges to fit contour of any face. Filter may be washed repeatedly and reused.

Price: \$1.95. Delivery: 10 days to 2 wk.

Watchemoket Optical Co., Inc., 232 W. Exchange St., Providence 3, R. I. (P.W., 11/9/59)

New Products

Another PURCHASING WEEK service: Price and delivery data with each product description.



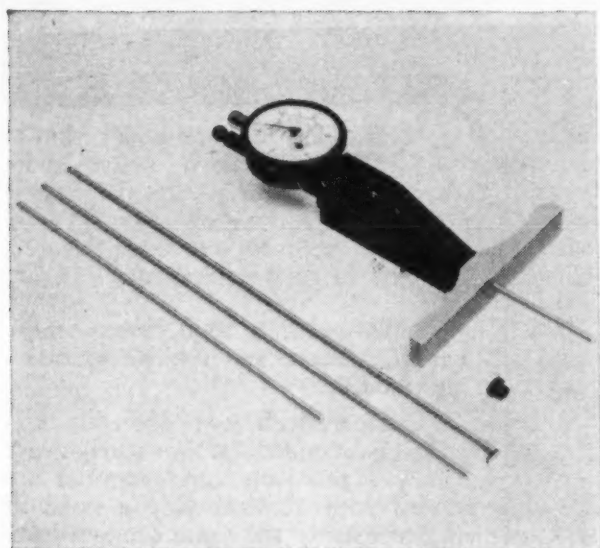
Cutting Machine

Centralized Control

Carries maximum of 4 motorized acetylene, propane or natural gas torches to shape or cut straight lines in steel plate in 8 x 4-ft. area. Controls for gas pressure, machine carriage and tracing devices are located directly above mobile tracing table.

Price: \$16,000 (approximate). Delivery: Jan. 1.

Air Reduction Sales Co., 150 E. 42nd St., N. Y. 17, N. Y. (P.W., 11/9/59)



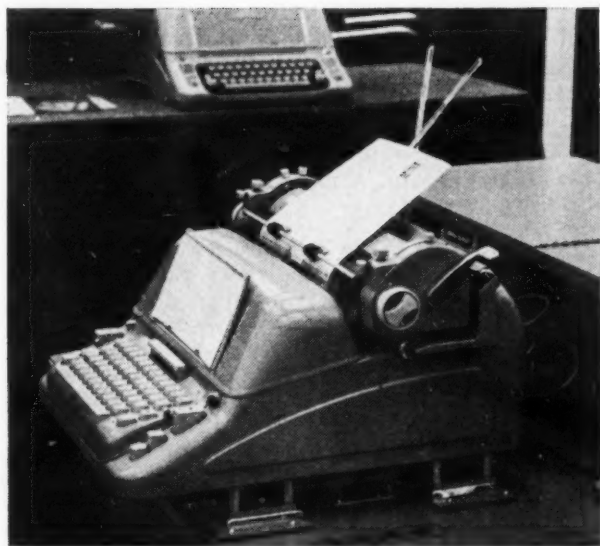
Depth Gage

Measures Grooves

Measures depth of grooves and holes up to 0.530 in. wide and 12 in. deep. Greater depth range can be achieved with accessory rods. Will take both internal or external groove measurements and may be converted into taper or pin gage.

Price: \$125. Delivery: immediate.

Mueller Gages Co., 1052-1058 N. Allen Ave., Pasadena, Calif. (P.W., 11/9/59)



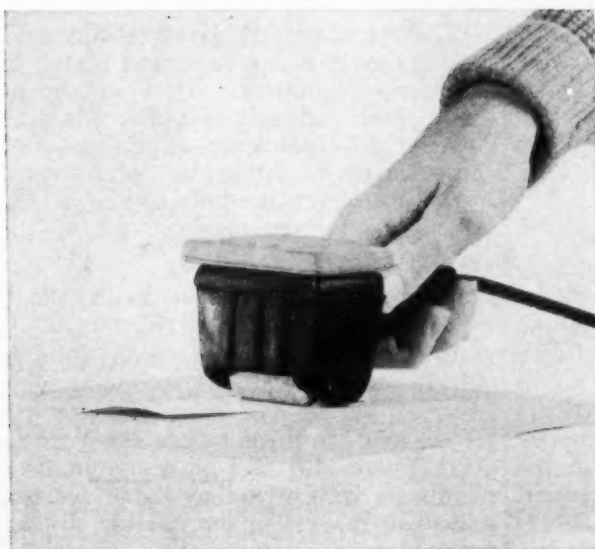
Electric Typewriter

Time-Saving Features

Pushbutton margins, snap out roller and key-jam release keep fingers and paper clean. Interchangeable carriages adapt machine for special jobs. Up to 8 decimal places can be arranged automatically.

Price: \$445. Delivery: immediate.

Paillard Inc., 100 Sixth Ave., N. Y. 13, N. Y. (P.W., 11/9/59)



Adhesive

For Paper Paste-Ups

Electric coater lays down inch wide strip of dry adhesive on paper, film, or practically any surface that is dry and clean. This translucent coating resembles rubber cement. Paper may be immediately mounted on coating, peeled, or reapplied many times.

Price: \$4.95 (coater and adhesive supply). Delivery: immediate.

Halber Corp., 4151 Montrose Ave., Chicago 41, Ill. (P.W., 11/9/59)

November 9-15

Product Perspective

The Measurement Miasma

With world trade increasing by leaps and bounds (see pages 14-15) it's easy to see why a measurement system that would mean the same thing in Asia that it means here has a big appeal. The metric-versus-English system debate is far from new, but the fact that it was subject material for a panel discussion at the recent National Standards Conference in Detroit shows how the controversy keeps gathering steam.

The U. S., Britain, and Canada are the only three major countries still loyal to the English system. India and Japan were the latest countries to leave the inch fold.

At the conference, for every scientist who said "Why of course we should switch", there was an industrialist who shouted "Not if I can help it."

One paradox of the whole situation of a U. S. switch, is that the companies that have the most to gain in the long run would have the greatest loss in the short run. The English system may lose them world markets, but the cost of switching existing designs would be tremendous.

Four of the panelists divided themselves into two even camps and the fifth took the middle road. Here's the gist of what they had to say:

• **FOR: R. W. Ernsberger, head of pharmaceutical development for Eli Lilly & Co.**—Lilly switched its international operations to the metric system because it thought it could save money.

Its processing operations are concerned with mass and volume, not linear units.

Lilly found the metric system gave it greater accuracy in drug-making with considerable man-hour savings. It speeded up revision of the firm's 1,500 active composition formulas. Ernsberger figured the changeover cost Lilly \$30,000—\$10,000 for scale and measuring devices and \$20,000 in labor. He says "the metamorphosis to the metric system has begun and Lilly feels it is a good business venture to make the conversion."

• **Randolph Hawthorne, editor, Space and Aeronautics**—He pointed out that the number of inch countries is shrinking, that the large potential overseas markets all use the metric system. He noted that "in the chemical and electronics industries the metric system is in wide use in research and development labs." Hawthorne feels that the cost of switching depends on the method used and time allowed. But Japan proved a highly industrialized nation can do it when she took the plunge the first of the year.

He felt that American industry should go along with the world trend, "For with two or more equally good electronic components, the one in the metric system will get the nod." He said the decimal inch was no answer because "decimal inches don't go readily into decimal feet."

• **AGAINST: Ralph M. Drews, chief metallurgist of fabricating division of Republic Steel**—He said that recalibration of steels wouldn't be too big a job, but refiguring the maintenance and engineering drawings would be quite a problem. He said redimension could be done, "but what would be the benefit to American producers and consumers?" If American industry started a switch, "we might never get out of this mess. If we pull the shade down on inch measurement, we might put America out of business for a considerable time."

• **Victor Raviolo, executive director, engineering staff of Ford Motor Co.**—Raviolo began by expressing his shock at the idea that a metric switch was getting such serious consideration at a conference. He said America's measuring instruments and talents are related to the English system "We've gone past the point of no return." He estimated that Ford would dissipate 15-20% of the total value of the company in a conversion and "would have nothing to show for it."

One-hundred and fifty years of engineering literature would have to be converted or abandoned he told the audience. "The metric system is convenient in research, but the overwhelming majority of people who weigh and measure aren't scientists. And in the practical work of the worker it's not necessary to relate weight, capacity, volume, and length to each other."

• **UNDECIDED: Colonel W. J. Darmody, assistant to the president of the Sheffield Corp.**—As an Army ordnance chief in Europe he had a firsthand look at the problems of switching to the metric system. He quoted difficulties in rationalizing tolerances, costly conversion of cutting tools, and design and reliability problems. "We never got the exact design equivalent in the metric system."

On the other side of the coin, he went on, "American isolation in engineering and standardization is ended." And he pointed out that some Pan-American nations require metric labelling on all imports.

Your Guide to New Products

(Continued from page 19)



Safety Lamp

Explosion-Resistant

Ultra-high intensity illumination is supplied by 65,000 candlepower light with minimum lamp-life of 100 hr. Unit, including 36-ft. extension cord and transformer, is completely sealed in heavy, vulcanized rubber. Used for maintenance and inspection in potentially explosive area. Price: \$39.50 (discount on quantity orders). Delivery: 2 wk.

Burton Mfg. Co., 2520 Colorado Ave., Santa Monica, Calif. (P.W., 11/9/59)



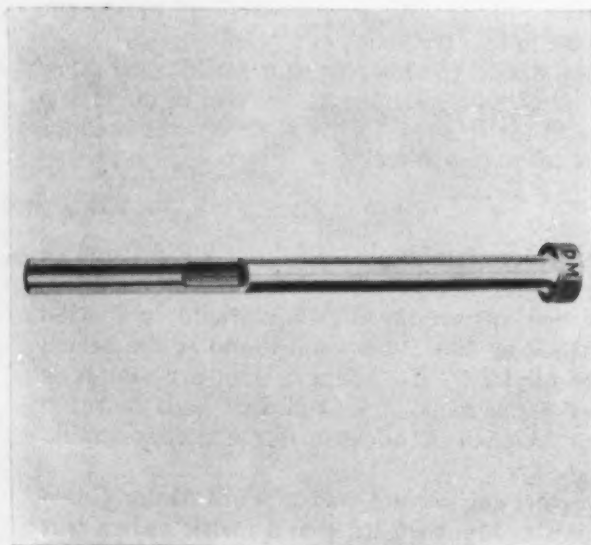
Copying Machine

Uses Photo Process

Makes single or multiple copies (one at a time) for 5¢ each by photographic process. Two step operation—original is exposed in top half of machine, inserted in lower section for processing. Takes originals up to 9-in. wide by any length.

Price: \$495. Delivery: immediate.

Peerless Photo Products, Inc., Shoreham, L. I., N. Y. (P.W., 11/9/59)



Ejector Sleeves

Wide Range of Sizes

New sleeves for plastic molds make machining by the moldmaker unnecessary, as an unlimited combination of O.D., I.D., and length dimensions can be obtained by an easy cut-off operation. O.D. from 1/4 in. to 1 1/8 in. in 4 to 10-in. lengths and minimum I.D. of 3/4 in.

Price: \$5.50 to \$15.50. Delivery: immediate.

Detroit Mold Engineering Co., 6686 E. McNichols Rd., Detroit 12, Mich. (P.W., 11/9/59)



Drafting Set

Nine Pieces

Set includes T-square (calibrated in inches and centimeters), French curve, 6-in. protractor calibrated in 1/2 degrees, slide rule, and architect's and engineer's scale masters. Drawing aids are specifically designed for engineers, draftsmen, and designers.

Price: \$5. Delivery: immediate.

Edmund Scientific Co., Barrington, N. J. (P.W., 11/9/59)

How 13-In. Tires Stack Up

Akron—Fleet buyers testing the new small cars (P.W., Oct. 19, p. 1) are also trying another new product—the 13-in. tire. Purchasing Week asked major tire makers to clear up some questions regarding the new size. Here's what they had to say about the tires:

Q. How do the 13-in. models stack up to the larger 14 and 15 in. in terms of cost?

A. Suggested list prices are about 15% less for 13-in. As an example, 6.00-13 black rayon lists at \$23.10 as compared with \$27.15 for a comparable size 14-incher, the 6.00-13 (white wall) against lists at \$28.30 against \$33.25 for white wall 7.50-14.

Q. How do wear and tear qualities of the 13-in. tires compare to the 14 and 15-in. versions? Any mileage estimates?

A. Surprisingly well. Car manufacturers indicate they are well satisfied. Since these tires have been used only on new cars for a few weeks, there are no consumer experience data available. Tests in tire company labs and test tracks showed small tires were at least on a par with 14 and 15-in. casings. Some predict they will give more mileage because they will be carrying lighter loads with less powerful engines. Mileage estimates vary all over the lot since they depend on such factors as tire size, weight of load, proper inflation, type of roads, and driver's habits.

Q. Are all the tires one size—6.00-13, or are there 6.50-13's, etc?

A. American car makers have standardized on two sizes, 6.00-13 and 6.50-13. The only difference between them is that one has a half-inch wider cross-section and is designed to carry a little heavier load.

Q. Will the same replacement tire fit all small cars? If not, which will be interchangeable?

A. Tire engineers recommend that autoists use the size tires that come with the vehicle since the car was engineered with that size in mind. However, car owners usually can go up one size—that is, use an oversize tire. Thus Falcon owners can utilize a Corvair 6.50-13, but a Falcon's 6.00-13 shouldn't be used on a Corvair or a Valiant (which needs 6.50-13).

Q. Why are new small tires expected to last longer on small cars when some users have reported bad mileage with 14-in. tires on big cars?

A. Lighter weights and reduced acceleration and speeds of the new cars are expected to pay dividends in mileage. There were some reports of trouble with 14-inchers in their early days, but tire makers feel the number was not excessive for a new product. Over-all, they feel the 14's are performing satisfactorily wherever they are properly maintained and driven. Air pressures should be checked regularly when tires are cold. Jack-rabbit starts, hairpin curves and brake-jamming greatly reduce tread wear.

Q. Are there any essential differences in construction and material in the new tires?

A. Basically, no. Same materials and construction principles are used. In case of Corvair, though, Chevrolet has specified a slightly stiffer tire in order to gain more stability because of its unique weight problem with the engine in the rear. To overcome this stiffer ride in rear (where it recommends 26-lb. air pressure) Corvair uses only 15 lb. in front tires.



Corvair also has a little wider rim to bolster stability. Falcon and Valiant recommend 24 lb. for all tires. Right now they are concentrating on rayon (Tyrex) construction because auto manufacturers want it on original equipment.

Q. Will the U. S. 13-in. tires for the Falcon, Valiant, and Corvair fit foreign models?

A. Comparatively few. There are dozens of recommended sizes for foreign cars but only a relatively small number are equipped with 13-inchers, and none of them are exactly the same cross section as the U. S. product. However, a foreign car using 5.90-13 or 5.80-13 would undoubtedly have enough clearance to use a U. S.-made 6.00-13. Likewise, foreign cars with 6.40-13's or 6.70-13's could use the American-made 6.50-13's. Most logical customers of U. S. tires are some models of English Austin, English Ford, German Ford Taunus, small Mercedes-Benz, German Opel, and English Triumph and Vauxhall.

Q. When will dealers begin getting 13-inchers?

A. They are available now in limited amounts if they want them; but since there will be little replacement demand for at least a year, it is unlikely that dealers will stock many. Principal replacement demand for at least a year will be for adjustments of any original equipment tires that might fail or come out with imperfections.

Q. When will retreads first be available? Will user have to buy new tires until then?

A. Retreads won't be available until present new tires are worn and traded in for new replacements. That will be at least a year, probably two. There is only one source for carcasses—trade-ins—and you have to have them to get retreads. In the meantime, the only source of 13-inchers will be new ones.

Q. Will there be winter tires in the smaller size?

A. One major manufacturer (Goodrich) has announced it is producing winter tires, but all big companies are expected to offer them before the year is over. There also will be premium tires reinforced with nylon available for replacement market in the not too distant future.

One Watchman Now Can Police an Entire Plant

New York—One man sitting behind a panel now can guard an entire plant. Minneapolis-Honeywell developed its "Electronic Security System" to meet industry demand for an automated system that would counteract the rising costs of maintaining guard crews.

The system consists of a central control panel (containing alarms, TV, intercom, etc.) and an almost endless number of remote stations that can do anything from reporting fires to letting workers into the plant.

Signals for the entire system are sent over a single pair of wires, greatly simplifying installation. Each remote station inserts a certain fixed resistance into the circuit when it is activated. The central panel measures this resistance—knows which station sounded the alarm.

Price of a complete installation will range up from \$1,000 (small plant) to over \$100,000 (multi-plant installation). Delivery runs about four months.

Here's what the system can do:

• **Fire and smoke**—Fire detection uses fixed temperature rate of rise detector heads; while smoke is detected by smoke-sensing devices. Any number of fire and smoke detectors can be spread throughout the building. The central guard console can be tied in with the building fire sprinkler system or alarm pull boxes to enable the operator to act instantly in any emergency.

• **Intrusion**—A wide range of conventional detection devices can be used with the system, including tamper-proof magnetic switches, intrusion detection window tape, intrusion screens, pressure-sensitive mats, etc. In addition, holdup alarm switches in a payroll office or in any other sensitive area can be connected to the central panel.

• **Noise Detection**—Speakers mounted around the plant detect above-normal noise in their area and automatically set off an audio and visual alarm on the console. The guard can then use the two-way communications system to listen in on the particular area. Since a human being in the area could be a cleaning woman or some other authorized person, the guard may speak over the two-way system to verify identity.

• **Motion Detection**—Two newly-developed motion detection systems can be used with the Honeywell integrated security system. The Vitronic Eye may be used to detect motion both in indoor and outdoor lighted areas. Whenever the light pattern between a transmitter and amplifier (which may be separated by up to 2,000 ft.) is disturbed, an alarm signal is energized, sounding an alarm at the guard console.

The Sono-Sentry sends an audible signal turned to the resulting wave pattern. Any motion in the area disturbs the signal pick-up by the receiver and triggers an identifying buzzer and alarm light on the central panel.

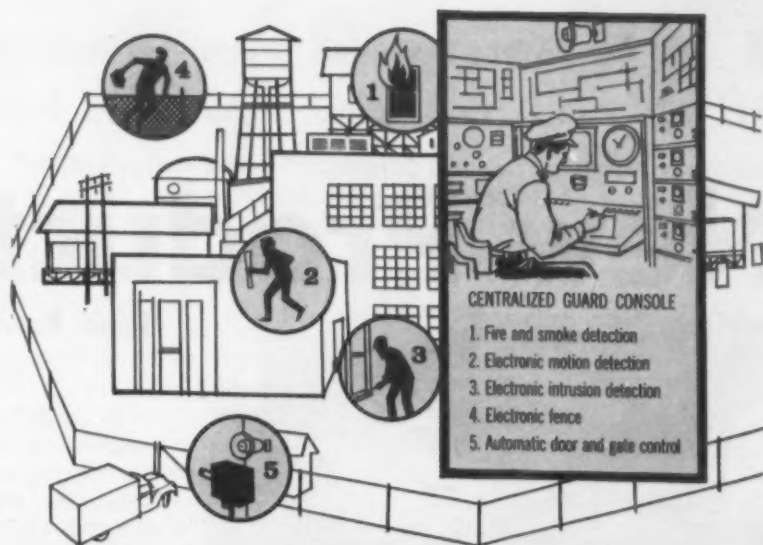
• **Fences**—A new capacitance-type circuit detects the presence of any human being who approaches within three feet of the security fence. A two-wire system (one wire serving as a ground and the other located approximately four feet above

ground level on any type fence) sounds an alarm even before the person actually touches the fence. Use of a built-in compensator prevents false alarms resulting from birds, blowing newspaper, growing weeds, rain, snow, sleet, and wind.

• **Door and Gates**—The television screen mounted on the guard's console and a number of pushbuttons (depending on how many gates are to be controlled) gives the guard visual observation and automatic control over authorized entry (by messengers,

truck drivers, etc.). Television cameras in each gate area let the guard survey the entire area and he can adjust the lens (from the console) to provide a close-up of the person seeking admittance.

The guard can talk with the person seeking admittance over a two-communications system. Once he OK's the person, the guard pushes a button to open the gate. He can close the gate by pushing another button. A meter on the console indicates gate position to prevent leaving it open inadvertently.



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Ohio Rubber's new high-speed continuous molding process makes it possible to check tolerances—as precise as ± 0.003 in.—for an unlimited quantity of small molded-rubber parts with but a single calibration. It insures identical uniformity and dimensional accuracy for components up to $1\frac{1}{2}$ " in diameter and 1" in thickness produced in cost-saving volume.

This is still another example of Ohio Rubber leadership and experience in "Customengineering" components for outstanding manufacturers of original equipment in every industry. For more information on this and other ORCO services write direct to The Ohio Rubber Company, Willoughby, Ohio.

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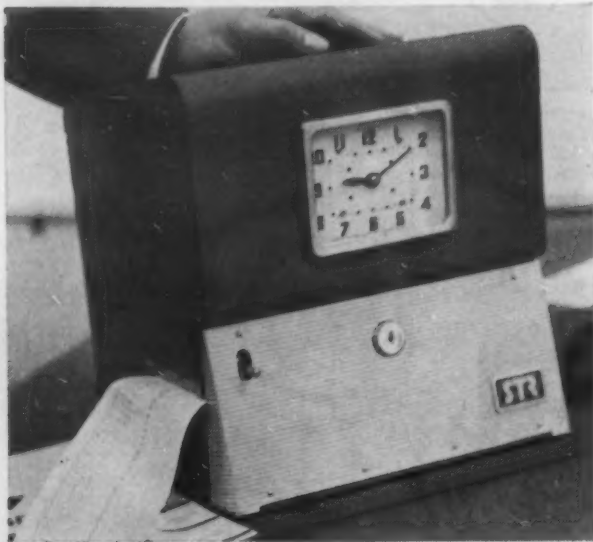
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New Products

Another PURCHASING WEEK service: Price and delivery data with each product description.



Time Recorder

6-Circuit Capacity

Records time of any action which can be detected by opening or closing of conventional switch or relay. Record of time action is printed on tape which can be discharged into built-in magazine, allowed to run free, or rewound on an external reel.

Price: \$345 plus \$25 per indicating circuit. Delivery: immediate.

Simplex Time Recorder Co., Gardner, Mass. (P.W., 11/9/59)



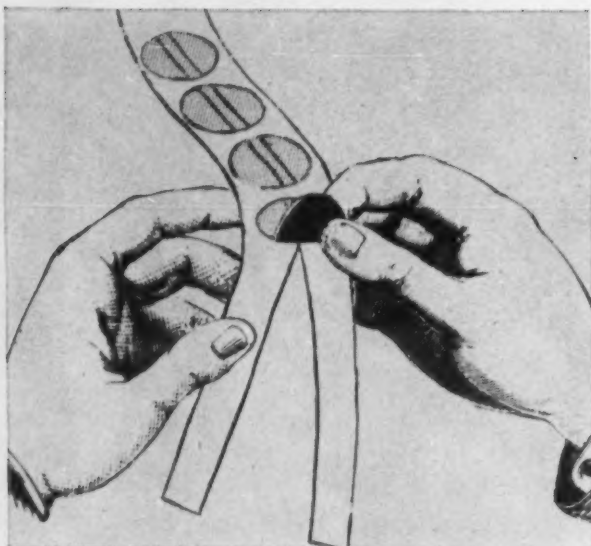
Paper Shredder

Makes Packaging Material

Destroys confidential office papers and converts waste paper into packing material. Machine can be adjusted to deliver 3 shred widths ($\frac{3}{8}$, $\frac{1}{4}$, and $\frac{1}{2}$ in.) and has capacity of 400 lb. of newspaper stock per hr.

Price: \$585. Delivery: immediate.

Industrial Shredder & Cutter Co., S. Ellsworth Ave., Salem, Ohio. (P.W., 11/9/59)



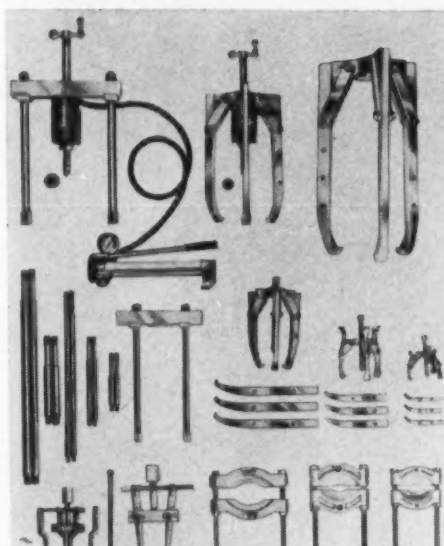
Masking Tape

Comes in Circular Forms

Tape circles from $\frac{1}{8}$ in. to 6 in., in $\frac{1}{4}$ -in. increments, designed for production and spray paint protection. Supplied in roll form with skip-slit pull down liner for handling ease. Other shapes are available.

Price: From \$2.05 per pkg. (1,000 $\frac{1}{4}$ -in. dia.). Delivery: immediate.

M & C Products Co., 4919 Cottman Ave., Philadelphia 35, Pa. (P.W., 11/9/59)



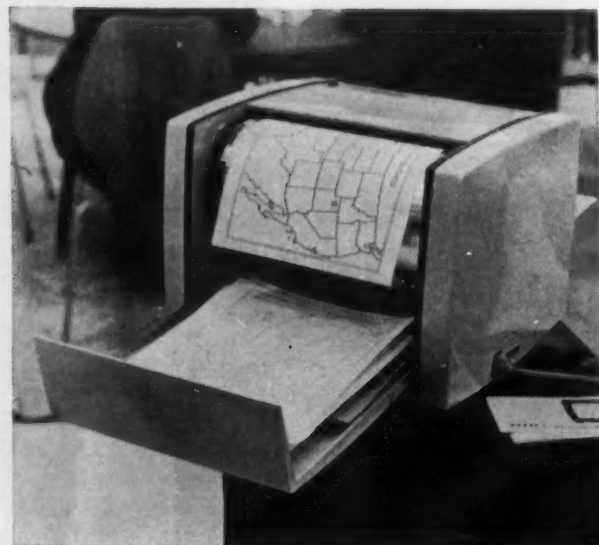
Pulling Tool

Uses Hydraulic Power

30-ton capacity ram, pump, pullers, and appropriate attachments can be used for removal and installation of gears, bearings, wheels, sheaves, etc. Sets are available in capacities ranging from 17½ to 50 tons.

Price: From \$674. Delivery: immediate.

Owatonna Tool Co., 279 Cedar St., Owatonna, Minn. (P.W., 11/9/59)



Duplicator

83 Copies Per Minute

Duplicator reproduces typed, written, or drawn material by spirit process. Master can make up to several hundred copies for less than $\frac{1}{4}$ ¢ each. Electrically operated it has automatic paper feed. Prints up to 5 colors at once.

Price: \$295. Delivery: immediate.

Bohn Duplicator Co., 444 Fourth Ave., N. Y. 16, N. Y. (P.W., 11/9/59)



Arbor Press

With Staking Feature

Performs staking or pressing operations independently, or combines them in rapid sequence for faster assembly of small components such as cams, bushings, gears, etc. Tool change for new job takes less than 15 sec.; fit of tools is within 0.001.

Price: \$340. Delivery: 4 wk.

Cramer Controls Corp., Centerbrook, Conn. (P.W., 11/9/59)

Purchasing Week Definition

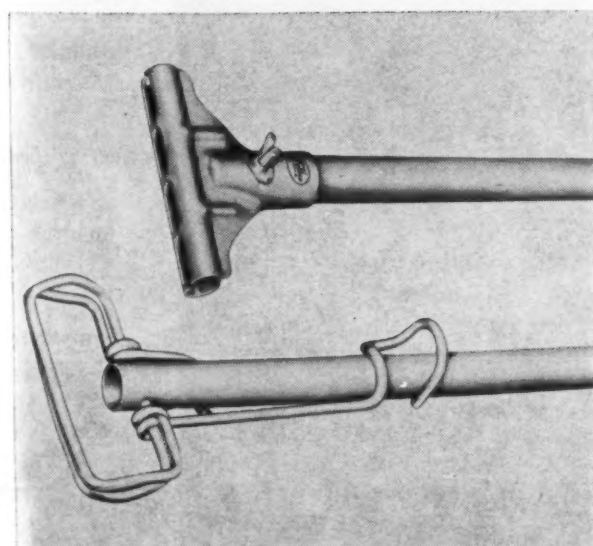
Nondestructive Testing

Ultrasonic—Ultrasonic sound waves are sent through object and echos indicating flaws and dimensions of object are transformed into visible pulses on cathode ray tube. Used for inspection of metal sheets and bars, castings, welds, brazes, and other bonds.

Nucleonic—Product is exposed to low intensity radiation from radioactive isotopes. Inspection gage measures amount of radiation absorption and determines the density of product. Paper, rubber, and plastic industries use this method of testing.

Gamma and X-Ray—Thin plastics, ceramics, and steels up to 20 in. thick are exposed to penetrating rays which make photographic records. Camera unit is portable and does not require electrical power or cooling liquid.

Thermometric—Temperature indicating paints and crayons are applied to object; show definite, distinct color changes at fixed temperature levels from 104 F to 2,462 F. Application ranges from finding temperatures attained inside satellite re-entry vehicles to locating leaky steam traps. (P.W., 11/9/59)



Mop Handles

Lightweight

Durable aluminum mop handles suited for industrial cleaning and maintenance operations weight 21 oz. each. Two models shown in photo come in 54 and 60-in. lengths: left, clamp-type jaws; right, springless solid-grip jaws. Ends are capped to prevent damage to wood-work and walls.

Price: \$250 (54-in. size). Delivery: immediate.

The Fuller Brush Co., East Hartford 8, Conn. (P.W., 11/9/59)

St. Louis P.A.'s Hear Barry on Labor Abuses

Trucking Executive Urges that Congress Outlaw Compulsory Unionism, Enact Stronger Legislation

St. Louis—A trucking executive, currently in the limelight as "the man who fought the Teamsters to a draw," warned St. Louis P.A.'s that:

"Congress will have to outlaw compulsory unionism if free American labor is to survive."

Speaking at the monthly meeting of the Purchasing Agents Association of St. Louis, Oct. 27, Desmond A. Barry, president, of the Galveston Truck Lines, Houston, Texas, said the Landrum-Griffin Bill will not stop abuses of the Teamsters.

Barry told an overflow crowd of more than 500 purchasing men and other executives that "Teamster lawyers believe there are enough holes in the bill to declare it unconstitutional."

"The Teamsters," he said, "have retained a staff of 100 expert lawyers who are confident the measure will be overruled."

Barry called on Congress to curb union abuses by outlawing compulsory unionism. He said the government should "take a very positive look at the situation and apply the provisions of the Sherman Anti-Trust Act against such restraints of trade as hot cargo and secondary boycott practiced by certain unions."

He said the Teamsters decided to organize his small (44 employees) truck line in 1955 by "walking into my office, slapping

a contract on my desk saying, "Sign it!"

Barry told the Teamsters he would sign only if his employees decided by secret ballot that they preferred union membership.

When the union boycotted all Barry-delivered goods at the Oklahoma City terminal, the Galveston Truck Lines President exposed the story to the Oklahoma City press.

"The union," he said, "removed the boycott when the spotlight of public exposure was thrown on them."

When St. Louis P.A.'s asked him the results of his four-year crusade against the Teamsters, Barry said his gross revenues in 1955 plunged from \$50,000 a month to \$26,000.

"But," he added, "apparently my willingness to stand up and fight, and go across the country and talk to you, has impressed you. My business last month reached \$66,000."

Economists Predict Banner Year Ahead . . . If: Steel Strike Ends, Labor Costs Holds the Line

Pebble Beach, Calif.—Leading industrialists and economists predict a banner year for the U.S. economy in 1960—if:

• Labor costs can be held in line with productivity.

• There is no steel strike resumption after the 80-day, Taft-Hartley "cooling-off" period.

• The U.S. can balance its international trade payments.

The prediction, along with the big "if's," is the opinion of 160 American businessmen, financiers, and economists who make

up Commerce Department's Business Advisory Council.

The Council, which concluded its semi-annual study of the nation's economy here, Oct. 31, predicted the gross national product would hit an annual rate of \$500 billion by June of next year, and continue rising thereafter.

This view contrasted with forecasts made at the Council's spring meeting this year, when they foresaw a rise in national output over the first half of 1960, followed by a general slackening.

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AERO-PAK DOES IT

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Foreign Perspective

London—Commodity prices remain firm here as industrial activity continues to improve.

That's particularly true of two key materials—rubber and tin—which have rebounded strongly in recent months.

Take rubber. Official stockpile selling still hasn't edged the price down.

In London, early November activity saw a "squeeze" on the spot position continuing strongly. Singapore influence was bullish, with heavy buying reported for Russian requirements.

Tin also has moved a long, long way from the old crisis days.

Now prices here are stable, although held down somewhat by sales from the Tin Council's buffer stock. That stock is reportedly running down fast. Latest estimate puts amount of buffer tin remaining as below 6,500 long tons.

But that doesn't mean runaway prices are in prospect.

There's still a lot of scope for tin production hikes. And the way is almost clear now for the removal of tin export restrictions under the International Tin Agreement—possibly for first quarter 1960.

Amsterdam—Some of the smaller West European countries aren't too happy over the impending trade rivalry between the Common Market and the "Outer Seven."

That's particularly true of Holland and Sweden. Engineering and metalworking industries in these two nations seriously are trying to avoid cutthroat competition.

At a recent conference they endorsed a policy of close cooperation. It will take the form of an interchange of ideas, licenses, know-how, and investments. Both nations hold that there should be only one free European market and that, consequently, the two "isolationist groups" of countries should in some way or other mesh together in the near future.

The feeling here is that the smaller countries are in urgent need of one big free trade area. Reason: the fear that under a trade war situation they will be overshadowed by their big brothers (Britain, West Germany, France).

The interest of other small countries in a general trade settlement is evidenced by the fact that observers from Denmark, Norway, and Finland sat in at the Dutch-Swedish meeting.

According to most informed observers, the Scandinavians are not too happy about the prospect of a closed "Outer Seven" area.

Moscow—The Reds soon may be a force to be reckoned with in world fuel markets.

According to Soviet State Planning Chief A. N. Kosygin, the Russians will be able to export a considerable amount

All Is Not Milk and Honey

of fuel in 1960. He backed this up with a speech to the Supreme Soviet where he gave these production figures:

- Oil production next year is scheduled to increase by 15 million tons—a 12% boost.

- Output of light oil products will rise by 9.3%—including a 15% boost in diesel fuel.

- Natural gas will increase by 33% or more.

- Coal output is expected to rise by 7%—with the emphasis on coking coal.

The share of oil and gas in the Russian fuel "balance" will rise from 35.3% to 38.7% next year. "Substitution of natural gas and oil products for coal will save several thousand million rubles for the national economy," the Russian official added.

However, Kosygin did admit that there are bottlenecks—mainly in the distribution of oil, gas, and oil products. But he added that the more than 6,000 kilometers of pipe line scheduled to come into operation next year should ease the pinch.

Tokyo—All is not milk and honey among Far Eastern textile producers.

The latest donnybrook involves the Japanese decision to curtail shipments of poplin cloth to Hong Kong. The Hong Kong Chinese have been using this material to make cheap sport goods which in turn have been flooding the American market.

Japanese producers say the shipments have been curtailed because of a cutback in their own mill operations earlier this year when the industry faced overproduction.

But industry insiders say the cutoff is deliberate. They intimate the Japanese are fed up with being blamed for cheap Hong Kong textile exports.

One effect of this action may be to force up prices in Hong Kong as clothing makers vie for available supplies.

But even without this curtailment, there has been a noticeable stiffening of textile tags. It comes from the domestic Japanese market that has been booming to such extent that poplin prices have increased in recent weeks by 2½¢ a yard.

Japan to Lift Barrier on Imports of U.S. Goods

Tokyo—Japan's latest move to eliminate trade barriers with the U.S. is a promise that by April 1, 1961 "at the latest," all discriminatory restrictions on the import of American goods will be lifted.

The director of Japan's Economic Bureau of the Foreign Ministry says the Japanese Government will begin removing the restrictions by March 31, 1960, the end of Japan's current fiscal year.

The government's announced intentions came on the heels of a warning by U.S. Under Secretary of State Douglas Dillon. He said that continuance of restrictions by the Japanese and other countries on dollar imports could lead to American demands for retaliation.

Limits on dollar allocations are expected to be lifted by Japan by next March on at least some of the 10 items now on the restricted list. These include soybeans, gypsum, Philippine wood, lard, fat, copper and alloy scrap, steel and iron scrap, fiber bark for ropes, and cowhide.

As matters stand, Japanese importers are allowed to buy these items anywhere they like, so long as they do not have to use dollars.

It was also reported that Japanese offi-

cials and industrialists will hold a six-day meeting beginning Nov. 23 with 60 executives of U.S. banks and other corporations to explore possibilities for increased economic interchange between the two countries.

The second Japanese Trade Mission now touring the U.S. (see story, p. 13) also is studying similar possibilities as a means of further stimulating trade between the two countries.

New Firm to Make Fin Tubing

London—Stewarts and Lloyds, Ltd., and Imperial Chemical Industries, Ltd., plan to form a jointly owned company for the manufacture of all kinds of extended surface tubing in steel it was reported here recently.

The joint company is slated to manufacture applied fin tubing with a wound-on and welded fin, and "integron" integrally finned steel tubing. Other forms of "integron" integrally finned tubing—in copper, aluminum, and bimetals—will continue to be made and sold by I.C.I. Metals Division and Imperial Aluminum Co.

Two Austrian Import Firms Slash Prices of Refrigerators

Vienna—Two Austrian firms dealing with the import and marketing of refrigerators have cut prices between 10 and 24%, and up to 25% on some models.

The reductions are expected to eliminate the uncontrollable rebate system which not only caused great variations in the sales prices from one dealer to the next, but also resulted in marketing difficulties.

The two firms, which between them sell more than half of the units sold domestically, are confident that more stable prices will result on refrigerators, deep-freezers, and other electrical household appliances.

The price reductions, which are being borne 50% by the manufacturers of the units and 50% by the dealers, have narrowed down profits to such an extent that they cannot be under-bid except for obvious dumping.

Other firms are expected to follow suit, although they are only showing a hesitating interest in immediately following.

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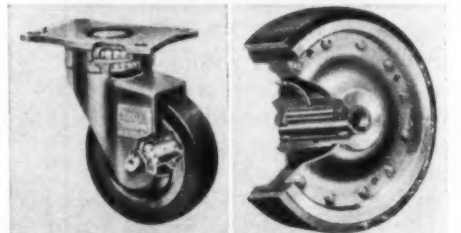


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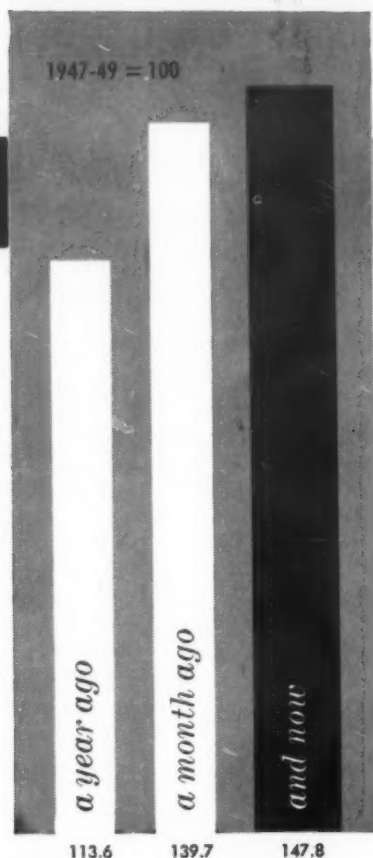
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A One-Shot View Of Resale Prices

Buying and selling of used equipment already is a major function in many purchasing departments. And, judging from the chart above, it's an activity that will be growing by leaps and bounds.

To help you assess the opportunities, pitfalls, and trends in this important market, **PURCHASING WEEK** is starting a new service with this issue.

It is a service designed to give you—in one package—a bird's-eye view of what's going on in the resale equipment market. Here is what you're getting:

- Weekly publication of a calendar of coming major industrial auctions across the country, together with a listing of machine tools and similar industrial equipment to be sold.

- On-the-spot reports of prices bid for representative machines at those auctions. Publication of these reports will be as soon as possible after an auction, so that bid prices will reflect current market conditions.

- An easy-to-read chart, giving you at a glance the latest trend in used machine tool sales—as reported to us by the Machinery Dealers National Association.

Note that prices bid at auction offer a true indication of supply and demand at the basic buyer vs. seller level. Such prices closely reflect times of prosperity and expansion, of recession and retrenchment.

Keeping an eye on forthcoming auctions can also pay off. For it gives you time to check auction listings against the "want list" of the various departments within your plant.

Each notice—published as far in advance as possible—will list the name and address of the auctioneer, so that you may write, phone or wire for a detailed auction catalog.

You can, of course, submit a bid by mail or wire without inspecting the machine or machines. But this, as any veteran auction-goer knows, is a risky business at best. For the auctioneer sells merchandise "as is."

P/W REPORTS ON RESALE PRICES

LATEST MONTH'S AUCTIONS

From auction held Oct. 26 through 30 at Midland Steel Products Co., Detroit. Ages of machines, given in parenthesis, are approximate.

PRESSES

- (1940) Bliss-Marquette 4-pt. suspension straight side press, 2,500-ton capacity. \$75,000.
- (1951) Hamilton SS double crank press, 1,200 tons. \$35,000.
- (1935) 98H Toledo SS double crank press, 900 tons. \$40,000.
- (1940) Cleveland 2-pt. SS press, 450 tons. \$32,500.
- (1942) Clearing crankless 2-pt. SS press, 400 tons. \$19,500.
- (1930) Toledo 96C SS double crank press, 345 tons. \$8,000.
- (1940) Cleveland 2-pt. SS press, 300 tons. \$11,000.
- (1925) Bliss SS single crank press, 440 tons. \$2,500.
- (1942) #24 Bliss knuckle joint, 400 tons. \$9,000.
- (194-) Cleveland open back inclinable, 110 tons. \$5,850.
- (194-) 28M Bliss open back inclinable, 95 tons. \$6,000.
- (1930) Toledo flywheel horn press, 43 tons. \$500.
- (192-) Cleveland SS double crank, 275 tons. \$3,500.
- (193-) Toledo 94½ E SS double crank. \$5,850.
- (193-) Toledo 94C SS double crank, 150 tons. \$2,500.
- (195-) Warco double crank gap frame, 100 tons. \$10,000.
- (1940) Minster double-crank open-back inclinable, 71 tons. \$4,700.
- (19-) Toledo #79 open-back, gap-frame single-crank, 150 tons. \$2,000.
- (192-) Toledo #59 SS single crank, 345 tons. \$2,900.
- (194-) Bliss high-speed, double-crank straight side, 150 tons. \$13,000.
- (195-) Warco open back inclinable, 100 tons. \$7,000.
- (194-) Bliss Toledo open-back inclinable, 71 tons. \$1,650.
- (193-) Toledo open-back inclinable, 71 tons. \$1,500.

SHEARS

- (194-) Niagara V12 power squaring shear. \$19,500.
- (194-) Niagara K6 power gap shear, 6x½-in. \$6,900.
- (194-) Canton 11A alligator shear, ¾x12-in. \$1,200.

- (195-) Canton 00 alligator shear, 24-in. blade. \$2,000.

MILLING MACHINES

- (195-) K & T plain horiz. ram head miller. \$12,000.
- (1936) Cincinnati horiz. dial prodn. miller. \$10,000.
- (195-) K & T 2CH-5hp. universal ram miller. \$9,500.
- (195-) K & T 2CH-5hp. vertical miller. \$7,000.

RADIAL DRILLS

- (1930) American triple-purpose radial drill, 5-ft. 13-in. col. \$2,000.
- (194-) Cin. Bickford 6-ft. 15-in. radial drill. \$11,500.
- (195-) Cin. Bickford 4-ft. 11-in. radial drill. \$7,250.

ENGINE LATHES

- (194-) Monarch BB geared head engine lathe, 18x72-in. \$5,000.
- (193-) Lodge & Shipley GH engine lathe, 16x108-in. \$3,000.

GRINDERS

- (194-) Hanchett rotary surface grinder, 40-in. dia. \$7,500.
- (194-) Thompson 18x72-in. hydraulic surf. grinder. \$7,000.
- (194-) Thompson 12x18x40-in. 3B hyd. surface grinder. \$6,750.
- (194-) Thompson 8x10x24-in. 2F hyd. surf. grinder. \$4,000.
- (193-) Landis plain cylindrical grinder. \$15,300.

SHAPERS

- (194-) Rockford 24-in. univ. hydraulic shaper. \$3,500.
- (194-) G & E 24-in. univ. back-geared crank shaper. \$3,450.
- (194-) G & E 20-in. back-geared crank shaper. \$3,000.

MISCELLANEOUS

- (1934) 42x42-in. Gray planer. \$4,500.
- (195-) DoAll MP20 Contourmatic vert. bandsaw. \$3,000.
- (19-) 25 kw. thermionic induction heater. Model 1400. \$6,300.
- (1954) Lucas horiz. boring mill. 5-in. dia bar. \$40,000.

COMING AUCTIONS

NOVEMBER 10-11-12

Electric Auto-Lite Co., 621 Gillette St., La Crosse, Wis.
140 PUNCH PRESSES—Bliss, Rockford, V & O, Toledo and Consolidated O.B.I. from 5 to 71 tons. Rockford, Toledo and Ferracute S.S. from 18 to 100 tons—some as late as 1951. 16 LATHES—Lodge & Shipley, P & W, Hendey from 16 x 30 to 12 x 78. Also precision bench lathes. 9 MILLING MACHINES, Cincinnati 2M universals, Gorton 8 and 8½ D, Reed-Prentice, B & S verticals, Bickett IH plain. 10 GRINDERS—P & W, Norton, Abrasive, B & S, Reid surface grinders from 6 x 18 to 14 x 36. Norton #1 tool and cutter, Cincinnati #2 centerless. 3 SHAPERS—G & E 20-in. and 24-in. Hendey 15-in. CINCINNATI PLANER 24 x 24 x 6-in. 19 AUTOMATIC SCREW MACHINES—Acme Gridley ¾ to 1-in. B & S 00 and 00G. 9 BARBER-COLMAN #3 GEAR HOBBER. Also 9 plating generators, 6 air compressors, 27 drillpresses, balers, heat treating spray equipment, etc. AND . . . 200,000 LB. STEEL (sheet, strip, coil, flats, rounds).

WRITE, WIRE, PHONE: Samuel L. Winternitz & Co., auctioneers, First National Bank Bldg., Chicago 3. STate 2-5908.

NOVEMBER 12

Arco Machine & Welding Co., 37 James Ave., Jersey City, N. J.
7 LATHES, 3 PEDESTAL GRINDERS, 1 tool & cutter grinder. 4 AIR COMPRESSORS, 3 ANGLE BENDING ROLLS, 4 PUNCHES, 7 DRILLPRESSES, squaring and slitting shears; abrasive cutoff, band and power hack saws, bending rolls, 21 ARC WELDERS, welding gages, torches and supplies; crawler crane, 2 plain millers, pipe machine, crank shaper, 1954 3-TON FORD TRUCK, hoists, LIFT TRUCKS, shop and office equipment.

WRITE, WIRE, PHONE: Industrial Plants Corp., 90 W Broadway, New York 7. BArlay 7-4184.

NOVEMBER 12

Motor Products Corp., 1508 Walker Rd., Windsor, Ont., Canada.

100 STAMPING PRESSES UP TO 600 TONS—Brandes, Brown & Boggs, Toledo & Bliss, B & B, Consolidated, Ferracute. ROLLING MILL —3 Yoder 8 spindles, 12 B & B 6 to 10 spindles, 15 Timken cutoff machines and slitter, 3 rotary slitters. 12 ENGINE & TURRET LATHES. FOSDICK JIG BORER. 6 SHAPERS. 8 GRINDERS. 35 RADIAL ARM AND DRILLPRESSES; welding, plating, anodizing and painting equipment; complete glass department, trucks, forklifts, overhead cranes, lab equipment, office equipment.

WRITE, WIRE, PHONE: David Weisz Co., 840 San Julian St., Los Angeles (MA 4-8005) or M. J. Wershow Co., 7213 Melrose Ave., Los Angeles (WE 3-8541) or Stan Kleeman, 2727 Palisades, New York 63, N. Y. (KL 9-7330).

NOVEMBER 17

Atlas Mold & Machine Co., Corner Front & Vincent Sts., Cuyahoga Falls, Ohio. (Inspection from Nov. 13).

2 horizontal boring mills, 7 LATHES, 17 GRINDERS—surface, tool and cutter, cylindrical, 20 MILLING MACHINES, 4 SHAPERS, 2 PLANERS, 2 VERTICAL BORING MILLS, 2 KELLERING MACHINES, radial drills, saws, drill presses, hobbing presses, turret lathes, welding equipment, miscellaneous shop and office equipment.

WRITE, WIRE, PHONE: Industrial Plants Corp., 90 West Broadway, New York 7. BArlay 7-4184.

NOVEMBER 17-18-19

Solar Aircraft Co., 1901 Bell Ave., Des Moines, Iowa (Inspection: Nov. 9 to date of sale).

WRITE, WIRE, PHONE: David Weisz Co., 840 San Julian, Los Angeles 14, or M. J. Wershow Co., 7213 Melrose, Los Angeles 46.

NOVEMBER 18

Sharpe & Flynn Corp., Stokeley St. above Roberts Ave., Phila. (Inspection from Nov. 11 except Sat. & Sun).

WRITE, WIRE, PHONE: Samuel T. Freeman & Co., auctioneers, 1808 Chestnut St., Philadelphia 3.

Purchasing Perspective

1960: An Excellent Year for Business

(Continued from page 1)

• It may look like robbing Peter to pay Paul, but business forecasters contend what's been shaved off 1959's record will be added, with certain flourishes, to 1960.

PURCHASING WEEK's business barometers (see story on p. 1) still point mainly in only one general direction—up. And a first rate performance is considered certain all through 1960, perhaps far beyond.

• Pent-up demand for steel will figure strongly, of course. But demand for consumer goods seems likely to boom noisily next year with postponed car purchases leading durable goods.

• Industrial capital expenditures will continue on the up-beat despite current strike-induced delays and planning upsets. In fact, some of the original commitments planned for 1960 may well stretch into 1961—as part of over-all general business extensions necessitated by strike complications and uncertainties.

McGraw-Hill's annual fall survey of business plans for capital expenditures will be announced later this week. On the basis of preliminary indications, it's safe to assume that capital spending will be an element of major strength in the year ahead. McGraw-Hill economists make this point:

"Adding in the post-strike inventory boom, the strength in consumer durables", and continued high level spending for non-durables and services, most forecasters will have no trouble at all in coming up with a higher gross national product in 1960.

The outlook, therefore, shakes down to: boom levels of business—but not so high as to encourage real inflation. In short—an excellent year for business.

• A dark-horse influence on the course of business during 1960 could be the re-entry of the United States into previously restricted foreign markets. Foreign trade—in both directions—counts heavily in purchasing planning at all levels (see center spread p. 14-15).

But—has American business lost some of its international hardsell spirit? Will U. S. firms be competitively bashful when Britain, Japan, and other nations begin fulfilling promises to ease restrictions on dollar-imports?

• Aggressive industrial purchasing men in Australia (where far-reaching relaxations of foreign trade controls have been ordered) are complaining about a "defeatist" attitude on the part of many prospective U. S. suppliers. Many Yanks, Aussie P.A.'s said last week, refuse to believe their firms can sell Down Under in competition with Japan and Europe.

• High freight rates to Australia admittedly are a big obstacle. But (and here's a tip to U. S. management in general):

Australian industrial purchasing executives are anxious to do business with American suppliers.

50,000 Businessmen Attend Metal Show

(Continued from page 1)

ing and ultrasonic measuring—strange terms only a year or two ago—were offered in a host of booths, not as curiosities but as proven production techniques.

For a complete roundup of new products introduced at the show, see Purchasing Week's Nov. 24 issue.

Four-hundred exhibits took over 300,000 sq. ft. of space in the years biggest gathering of metal producers, fabricators, equipment makers, and processing firms. The American Society for Metals sponsored the show in cooperation with six other technical groups.

It was a blending of the old and the new. One booth extolled the virtues of exotic metals like columbium and vanadium while a nearby exhibitor warned the metal worker not to forget that tin has its place.

Exhibits were practical—gimmicks to attract attention were held to minimum. Almost every booth had a working model of its equipment and an ample number of technical people ready to answer the questions of interested visitors.

Order books were available, but seldom opened. "We don't try to do any hard selling here" noted a representative who was demonstrating paint spraying equipment, "but if the people take home a good understanding of what our stuff can do, the chances are that we will hear from them when they are ready to buy. The production chief, engineer, and purchasing agent for one company were just in. Now all three know how our equipment might be able to save them some money."

"We've passed from the research stage into development and now we are proceeding with caution" the representative of a metal company warned. "Until recently, each new metal we

Economist Otto Eckstein Puts Blame For Inflationary Pressure on Steel

(Continued from page 1)

tion that prices in the steel industry, relative to other prices, have risen at a rapid rate since 1952, primarily due to the operation of four factors:

• An extraordinary rise in wages, result of bargaining between a strong union and a management with strong market power in the product market. "Government intervention has

worked on was designed for a special job—usually in missiles.

"Now that we are branching out into other fields, the cost factor takes on new significance. We must prove out every application before the manufacturer will buy. We don't want to be burned like we were on titanium."

But the implications of space and atomic research are still present. "The missile field keeps demanding metals with new properties and we must develop the production facilities to produce them. Three years ago we were talking temperatures of 3,000 now 6,800 is common," commented a vacuum furnace manufacturer.

Using virtually every known program format, engineers and production men met throughout the week to exchange ideas and information. Nearly 300 technical presentations—including papers, seminars, panels, research reports, clinics were held.

probably accelerated this process," Eckstein said.

• A conscious effort to maintain "and perhaps increase profit margins in the industry, giving the steel companies at the least a proportionate share of the income gains scored at the expense of the rest of the economy.

• A rapid increase in the costs of replacing facilities and providing additional capacity simultaneous with management's raising funds.

• A state of demand—"while not strong enough to account for the exceptional price and wage rises."

Purchasing Men Play Key Role in Salk Serum Case

(Continued from page 1)

Milwaukee P.A., told of receiving nine identical bids on a preliminary small order.

When he requested bids for a one-year supply, he said 11 of 12 bids were identical. The 12th and low bidder, a Mineola, N. Y., agent of Pitman-Moore, received the contract, but Nicholson said it was cancelled by Pitman-Moore because the price deviated.

Margaret E. Smith, New Hampshire P.A., testified she received four identical bids on a vaccine contract, and that a fifth and low bid was withdrawn.

District Six Organizes a Workshop, Sets Up Thirteen Discussion Topics

Dayton, Ohio—District Six's first attempt at organizing a workshop program for a regional conference has turned out well, as witnessed by the warm reception that 250 delegates gave the discussion sessions.

N.A.P.A. members from Ohio, western Pennsylvania and West Virginia talked over common problems in thirteen discussion groups (or workshops) on Oct. 30-31.

Philip B. Hull, general conference chairman, said, "We were worried about the way it would go over, but everybody liked the discussions. They were interesting and should have real value in helping the members do a better job."

The conference program also included talks by N.A.P.A. President Thomas O. English and Andrew M. Kennedy, Jr., vice president of the Westinghouse Electric Corp., Pittsburgh, Pa., Kennedy reported some preliminary results of a survey made by the N.A.P.A. committee studying the materials management concept. Partial returns indicate that many P.A.'s in several key industries already are performing materials management functions (like inventory control) even though their companies have no formal materials management programs.

Kennedy found that 43% of the responding P.A.'s in the steel industry had full responsibility for inventory control and 75% thought they could improve company profits if they had additional

responsibilities in other material management areas.

Similar trends appear in the airframe and electronics industries. Kennedy's tentative conclusion is that the P.A.'s interest in the jobs that make up materials management, like inventory control, traffic, production scheduling, etc., is leading him toward more responsibility for it, even though his company may not have a materials program.

Choice of Workshops

After opening speeches, delegates moved to their choice of workshops. They could pick three out of the twelve offered, with a joint thirteenth session in a workshop on "Purchasing in Small Companies." Topics for the workshops ranged from value analysis and standardization to legal aspects of purchasing.

The conference also demonstrated how different city associations can work together to put on a conference. Each city group provided the panelists and program for one of the workshops.

The host, Dayton Association, went outside its club to the Dayton Traffic Association for a program on problems in traffic. Railroad, airline, and truck line representatives found that the 25 P.A.'s in their audience had plenty of shipping problems of their own—which they placed squarely on the transport men's doorstep. The resulting give and take cleared up a lot of questions and promoted better understanding on both sides of the waybill.

Price Changes for Purchasing Agents

Item & Company	Amount of Change	New Price	Reason
INCREASES			
Gasoline, reg., fair tr., Esso, No. Car., gal. ....	.04	.209	
Premium, gal. ....	.04	.239	
Gasoline, dlr. tnkwgn., Esso, No. Car., gal. ....	.037-.039	.155-.159	
Gum Rosins, CCC, Water White, cwt. ....	.10	\$9.45	short supply
Grades Nancy and below, cwt. ....	.10	\$9.25	short supply
Velvelette Flannels, solid & print, Cone Mills, yd. ....	.005	....	high demand
Sisal, imported, lb. ....	.00125-.005	....	Europe demand
Menthol, Japanese, C & F, lb. ....	.25	\$7.75	high demand
Acetic Acid, glacial reagent, carboys, lb. ....	.05	.37	high demand
Fiberglass Yarns, coarse count, Owens-Corning.	5%	....	high demand
Copper & Copper Alloy prods., sev'l cos., lb. ....	.015	....	metal boost
Theobromine, Holland, (Feb. shpt), kilo.	\$1.00	\$7.30	
Zinc Dust, commercial grades, carlots, lb. ....	.005	.161	
Gum Rosins, N. Y., elts., Katy, Mary, cwt. ....	.15	\$10.90	short supply
Nancy, cwt. ....	.10	\$10.95	short supply
Window glass, cwt. ....	.25	\$11.50	short supply
Water white, cwt. ....	.25	\$12.00	short supply
Casein, Argentine, carlots, lb. ....	.005	.22	high demand
Dried Blood, nitrogen unit. ....	.10	\$5.10	tight supply
REDUCTIONS			
Mercury, 76-lb. flask.	\$2.00	\$221.00	low demand
Podophyllin, lb.	\$1.50	\$13.50	low demand
Aloin, lb. ....	.25	\$3.00	low demand
Tung Oil, imported, lb. ....	.01	.23	
Epichlorohydrin, Shell Chemical, Tank cars, lb. ....	.03	.27	expand supply
Carlots, lb. ....	.03	.295	expand supply
Industrial Needles, 16x257, Singer, per 100. ....	.70	\$3.95	
Single Crystal Germanium, Semimetals, Inc., kilo.	\$21.00	\$629.00	prod. econs.
Tin Salts, Pot. Stannate, lb. ....	.004	.784	metal cuts

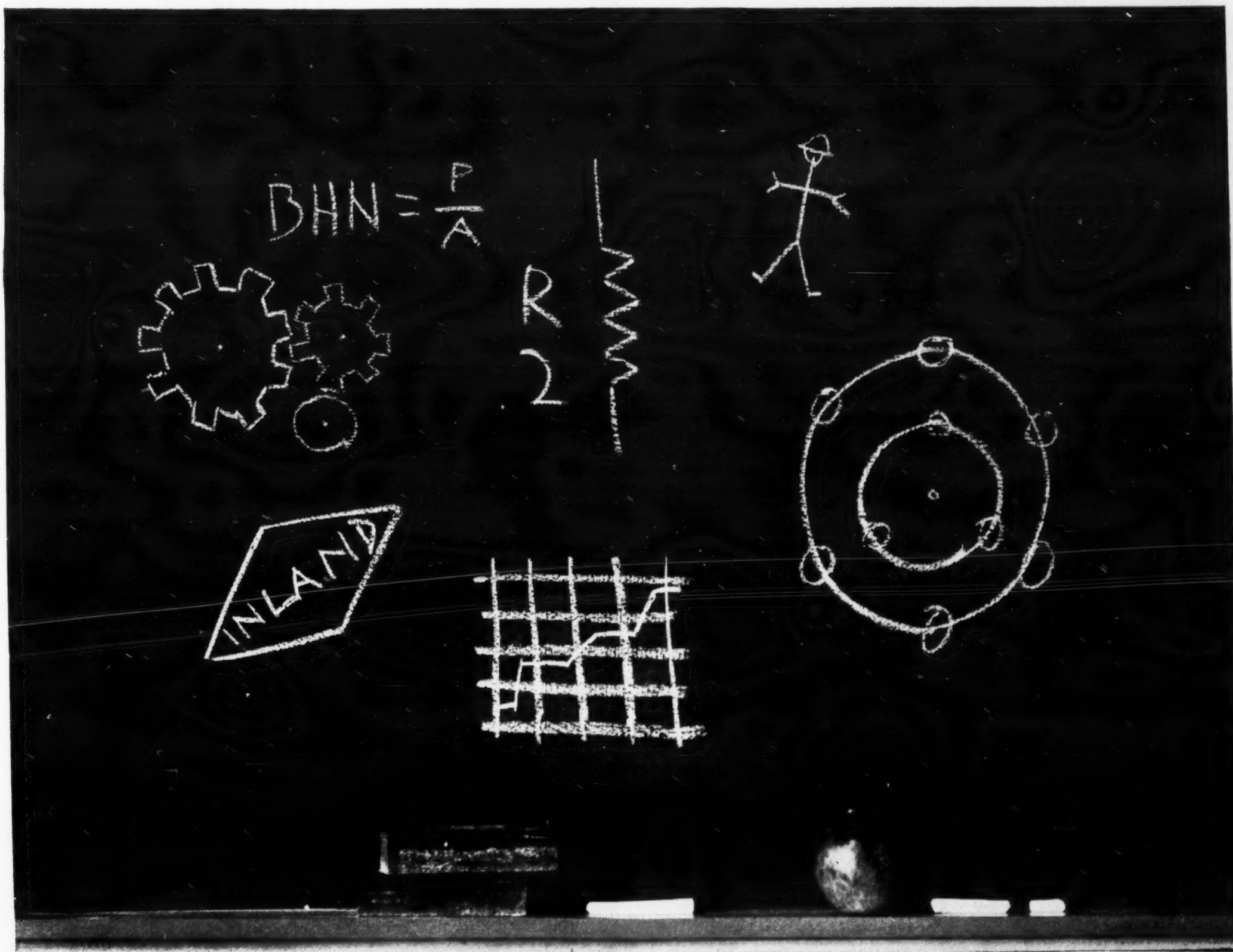
14,089 Inland employees went to school last year

Many went because they were enthusiastic about their jobs—inspired by the advancement opportunities at Inland. Others went because Inland, ever on the watch for men capable of developing their abilities, sought them out—found them—encouraged them to take the next step.

At Inland, this thoughtfully planned system of seeking for such men within the company, has now been in continuous operation for more than fifteen years. Because of it, more than 70% of Inland's supervisory staff have come up from the ranks—30% more from Inland's College Recruitment Program. Because the system encourages personal growth, the process never stops. It may begin with on-the-job training programs in which 3,842 employees participated last year. It can continue through Inland's programs in conjunction with leading educational institutions, such as Harvard, Purdue, University of Chicago and Wabash College.

With literally thousands of Inland men building their own futures, a new kind of climate is created—a climate in which men find real satisfactions in their work and the products of their labor. It results, we believe, in a growth-minded organization—a company dedicated to ever better service and products for every Inland Customer.

Building Today, with an Eye to Tomorrow



INLAND STEEL COMPANY

30 West Monroe Street • Chicago 3, Illinois

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Kansas City • Milwaukee • New York • St. Louis • St. Paul

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JOSEPH T. RYERSON & SON, INC.
INLAND STEEL PRODUCTS COMPANY
INLAND STEEL CONTAINER COMPANY*
INLAND LIME & STONE COMPANY* *Division



*His customer needed cable fast—
to cover a breakdown. It took a weekend
of teamwork to handle the*

Emergency at 5:05!

Friday, 5:05 P.M. The call caught me just as I was leaving the office. One of my customers* in Seattle was in trouble.

I'm Tony Mitrovich—District Sales Manager for Rome Cable in Seattle.

A big piece of equipment had broken down and my customer needed 500 feet of 5-KV cable *fast!* I wasted no time getting Long Distance. The answer lay some 2500 miles away—in Rome, N. Y.

Friday, 8:15 P.M. Rome time. I had the Sales Service Manager at Rome on the line. I caught him at home. As I got the story later, my request triggered a chain reaction of events. Here's how they went.

Friday, 8:30 P.M. The Sales Service Manager at Rome tried to contact the Head of the Shipping Department. No luck. He tried the Traffic Manager at home. He was out bowling in the Friday night league. Only one thing to do . . .

Friday, 9:30 P.M. He located his man at the bowling center; both went back to the plant that same night, located the right cable in stock and got it out.

Friday, 11:00 P.M. Order completed!

Saturday morning, 7:30 A.M. 500 feet of cable was taken to the airport, where it was shipped by air to Seattle.

Monday morning, 7:30 A.M. in Seattle. The cable was on the job.

That's teamwork. That's the kind of support that makes my job a pleasure—and makes lots of friends for me.

And that's the kind of service that helps lots of my customers out of jams—makes them loyal Rome Cable customers.

**Name furnished on request*



**MEET
THE
MAN**

WHO'S DEDICATED
TO YOUR JOB
YOUR ROME CABLE
SALESMAN

This story typifies the service you can rely on from your Rome Cable salesman. He links you directly and quickly with the facilities and engineering skills at Rome—not only during emergencies but also during any special demands of your job. When you have a wire and cable problem of any kind, give him a call.

ROME CABLE